



Daily Report

China

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Daily Report

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General

Student Leader Testifies Before UNCHR
OW1708051189 Tokyo KYODO in English
0359 GMT 17 Aug 89

[Text] Geneva, Aug. 16 KYODO—An exiled Chinese student leader testified Wednesday at the United Nations Commission on Human Rights [UNCHR] that as many as 120,000 people may have been arrested and executed in China since the June military crackdown on the pro-democracy movement.

Nanjing University student Li Lu, 20, is on the list of 20 student leaders most wanted by China's Public Security Ministry.

He gave a detailed account of the bloody military action against demonstrators in Beijing's Tiananmen Square on June 3-4, saying soldiers killed children and the old indiscriminately.

He also requested a thorough investigation of human rights violations in China at a subcommittee, saying the massacre has continued.

Li said scores of soldiers began firing at about 2,000 students when they decided to withdraw from Tiananmen Square in the early morning of June 4.

He said tanks rolled over tents and crushed sick student hungerstrikers.

Soldiers fired at crowds all day long, even shooting out windows of homes and hotels, Li added.

Chinese representatives walked out of the committee to protest Li's testimony.

Singapore Offer on U.S. Bases Criticized
HK1708023089 Hong Kong AFP in English
0217 GMT 17 Aug 89

[Text] Beijing, Aug 17 (AFP)—China expressed tacit disapproval Thursday of Singapore's offer to host some U.S. military base facilities now located in the Philippines.

"China's principal stand is that it is against the establishment of military bases in one country by another country," a Foreign Ministry spokesman said when asked about Singapore's offer.

"We hope that relevant decisions or arrangements concerning such questions as U.S. military bases in Southeast Asia which are left over by history will contribute to the maintenance of peace and stability in the region," he said.

Singapore offered August 4 to ease the Philippines' burden of hosting U.S. military bases, saying it was willing to accept some naval and air force facilities.

Its neighbors, Malaysia and Indonesia, have indicated their disapproval of the idea.

Buses To Be Sold to Third World Countries
OW1608212489 Beijing XINHUA in English
0716 GMT 16 Aug 89

[Text] Beijing, August 16 (XINHUA)—The China International Trust and Investment Corporation (CITIC) and China North Industry Corporation have signed agreements with Peruvian partners to export 5,500 Chinese-made buses to Peru, today's "CHINA DAILY" reported.

CITIC will also export 500 buses to Nigeria, and a Chinese firm famous for its satellite-launching rockets—the China Great Wall Industry Corporation—will export 200 buses to Chile.

Last month, 145 buses were loaded in Guangzhou on a boat bound for the Philippines, marking the start of a Chinese drive to export buses to foreign countries.

Chinese firms are enjoying success in selling their buses to Third World countries, and Peru, Thailand, Nepal, Nigeria, Uganda, Ghana, Sri Lanka and the United Arab Emirates are also going to import Chinese buses.

The China Urban Bus and Urban Construction Equipment Corporation expected to export 300 to 500 buses this year, and plans to export 500 to 1,000 buses next year and 1,000 to 1,500 in 1991, the paper quoted Liu Xigu, general manager of the corporation, as saying.

The short-haul 40-seat Chinese buses are competitive on international markets because they are cheap. They cost about 30,000 U.S. dollars while foreign models can cost as much as 100,000 U.S. dollars each.

Liu said one problem with the buses is that they cannot travel faster than 85 kilometers per hour and some Chinese-made parts are not up to the advanced international technical standards.

"But they meet the needs of developing countries," Liu said.

World Trade Institute Trains Chinese Officials
OW1608001089 Beijing XINHUA in English
1521 GMT 15 Aug 89

[Text] New York, August 15 (XINHUA)—Since 1979 some 2,000 officials and business people from 90 developing countries in Asia, Africa and Latin America have received special training programs conducted by the World Trade Institute in New York.

The programs focus on such subjects as export marketing, letters of credit and marine insurance, according to Christine Eibs, manager of the institute, an arm of the Port Authority of New York and New Jersey.

In the past two years, however, the institute has begun offering seminars in Argentina, Venezuela, Brazil and China under contracts signed with various private sector organizations.

The institute is now gearing up for a further expansion of its international training program. Last week, it was authorized by the Port Authority's Board of Commissioners to teach investment promotion and free trade zone operations to officials in four developing nations.

"By establishing positive relationships with these and other nations, the institute promotes our region," said Philip D. Kaltenbacher, the Port Authority's chairman.

"As a result, when these nations look to do business with the United States, they may well come to this region first for the goods and services they require," he added.

Moreover, the institute is looking at another four or five training programs in various countries, Eibs said.

Some of these proposals have resulted from contacts with other world trade centers, she added.

The overseas programs are condensed versions of the seminars that the institute conducts in New York, of which 15 are scheduled for this year; the seminars in foreign countries generally last three to five working days.

The institute usually sends one Port Authority staffer as well as two or three instructors, usually drawn from the private sector, to conduct the seminars.

Last year the institute ran a program on petroleum tankship operations in Venezuela, and trained officials at three Chinese ports on port operations and management.

Pan-Pacific Computer Conference Opens in Beijing OW1708022389 Beijing XINHUA in English 1124 GMT 16 Aug 89

[Text] Beijing, August 16 (XINHUA)—The Third Pan-Pacific Computer Conference (PPCC) opened here today. Over 100 professionals from 17 countries including the United States, Japan, Canada and China are attending the four-day conference.

According to conference sources, the Chinese computer industry has developed rapidly in recent years and computers are now installed in all branches of the national economy and society.

This year China will produce 550 sets of small computers of the fourth generation and almost 60,000 sets of microcomputers.

A nongovernmental forum of the Pacific basin countries, the PPCC holds meetings every other year.

United States & Canada

Ambassador Han Bids Farewell to Quayle

OW1708071789 Beijing XINHUA in English
0635 GMT 17 Aug 89

[Text] Washington, August 16 (XINHUA)—China's outgoing Ambassador to the United States, Han Xu, called on U.S. Vice President Dan Quayle today.

During the farewell meeting, they exchanged views on Sino-U.S. relations and expressed hope that these relations will be maintained and developed.

Present at the occasion were U.S. Assistant Secretary of State Richard Solomon and other U.S. officials.

After meeting with Quayle, the outgoing ambassador and his wife gave a farewell reception this evening at the Chinese Embassy.

Attending the reception were nearly 1,000 guests, including Ivan Selin, U.S. undersecretary of state; Richard Solomon, assistant secretary of state; Henry Kissinger and Alexander Haig, both former secretaries of state, and former U.S. Senate leaders Mike Mansfield and Hugh Scott.

Sino-U.S. Medical Center Opens in Shanghai

OW1708045489 Beijing Television Service
in Mandarin 1300 GMT 13 Aug 89

[Text] The Shanghai Municipal Sino-U.S. Friendship Medical Center was inaugurated at the Shanghai Municipal No 1 People's Hospital on 10 August. Some 180 people attended the unveiling ceremony. They included Shanghai municipal leaders Xie Lijuan and Wang Dao-han, the American consul general in Shanghai, and personalities from various circles.

The Shanghai-U.S. Hospital Foundation, based in Washington, raised the funds and provided technical assistance for the Shanghai Medical Center, which is located in the west building of the Shanghai Municipal No 1 People's Hospital. It has seven sterile surgery rooms, a ward with 30 beds for foreigners, advanced sterilizing equipment, and medical gas equipment.

After the successful completion of the medical center, personalities from the Chinese side and U.S. side have agreed to jointly build a Sino-U.S. friendship hospital in Shanghai to serve as an example of Sino-U.S. medical cooperation.

Construction Begins on U.S.-Backed Hotel
OW1608224389 Beijing XINHUA in English
1505 GMT 16 Aug 89

[Text] Shanghai, August 16 (XINHUA)—Work started on a Sino - U.S. joint venture hotel, the "Hailun", here today. The site is on Nanjing Road, in the downtown area of Shanghai.

The hotel is a joint venture between the Xinya Group and trust and investment companies of Shanghai, and the Mountain Oak and Bitic Companies of the United States.

The 35-story hotel will have a total floor space of 44,508 sq m. It will have 420 standard rooms as well as night clubs, ballrooms, bars, shopping centers, restaurants serving Chinese and Western food, multi-function halls, beauty parlours and sauna services.

Soviet Union

Inner Mongolia Increases Trade With USSR
OW1708044789 Beijing in Russian to the USSR
1900 GMT 13 Aug 89

[Text] The third meeting in the border trade talks between the Hohhot Railway Administration, PRC; East Siberian Railway Administration, USSR; and Ulaanbaatar Railway Administration, Mongolian People's Republic [MPR] was held from 4 to 12 August in Hohhot. The three sides signed barter trade contracts for a total amount of approximately 1 million Swiss francs.

In the first 6 months of this year, the volume of import and export barter trade by the PRC's Inner Mongolia with the USSR and the MPR amounted to \$55.44 million, which represents an increase of more than 89 percent against last year's corresponding period.

Northeast Asia

Japan To Resume Some Economic Aid to PRC
OW1708084889 Tokyo KYODO in English
0822 GMT 17 Aug 89

[Text] Tokyo, Aug. 17 KYODO—Japan will soon resume economic assistance to China, suspended after the bloody crackdown on the prodemocracy movement in Beijing in June, a Japanese Foreign Ministry spokesman announced on Thursday.

Spokesman Taizo Watanabe told reporters that Japan will gradually reopen suspended loans in the pipeline and projects that were already underway when Chinese troops crushed prodemocracy demonstrators in Beijing's Tiananmen Square on June 4.

Watanabe said the situation has calmed down.

But he said that the resumption of aid would be selective and would not apply to those projects within Beijing, where martial law is still in effect.

Watanabe also said that Japan is not ready at this stage to discuss new loans and projects with China.

Japan had been set to begin negotiations with China in autumn over the details of a third loan package totaling 830 billion yen for Fiscal 1990-1995.

Watanabe also announced that the government will withdraw its advisory against Japanese nationals' travel to China, except for Beijing.

Southeast Asia & Pacific

Indonesia Ready To Normalize Ties With PRC
OW1608154389 Beijing XINHUA in English
1442 GMT 16 Aug 89

[Text] Beijing, August 16 (XINHUA)—Indonesian President Suharto said today his country is ready to normalize relations with China, according to reports from Jakarta.

Normalized relations could begin because "Indonesia's expectation, namely the abstention from interference in the domestic affairs of either country, both at governmental levels and also between peoples and parties, has now been fulfilled," Suharto said, addressing the House of Representatives.

Suharto said further preparations and discussions are now taking place "until a time considered appropriate for affecting the normalization."

Sources close to the presidential palace said normalization may take place sometime next year.

The decision to normalize relations with China was made when Suharto met with Chinese Foreign Minister Qian Qichen in Tokyo last February for the funeral of Japanese Emperor Hirohito.

Lao Visitors Leave Beijing for Kunming
OW1708051989 Beijing XINHUA in English
0805 GMT 16 Aug 89

[Text] Beijing, August 16 (XINHUA)—Thongsawat Khaikhamphithoun, first vice-foreign minister of Laos and first deputy minister of liaison of the Lao People's Revolutionary Party, left here today for a tour of Kunming, capital of South China's Yunnan Province.

Chinese Vice-Foreign Minister Zhu Qizhen was present at the airport to see him off.

While in Beijing, Thongsawath and his party held talks with Zhu Qizhen and Zhu Shanqing, deputy head of the International Liaison Department of the Chinese Communist Party Central Committee on separate occasions.

The two sides had a detailed exchange of views on the current international situation and issues of common concern, and briefed each other on the situation in their respective countries.

Both sides expressed satisfaction with the restoration and improvement of the bilateral relations in recent years, and agreed to take measures to promote friendship between the people and the exchange and cooperation in the fields of economy, trade, culture and education of the two countries.

The Lao visitors also toured the Great Wall, the Summer Palace and other scenic spots and places of historical interest here.

Near East & South Asia

NPC Vice Chairman Meets Omani Guests
*HK1608054089 Beijing XINHUA in English
0538 GMT 16 Aug 89*

[Text] Beijing, August 16 (XINHUA)—Peng Chong, vice-chairman of the Standing Committee of China's National People's Congress, met with Salim Suwayd, deputy minister of the National Heritage and Culture of Oman, and his party here this morning.

The Omani guests, who arrived here August 14 at the invitation of the Chinese Ministry of Culture, are scheduled to leave here later today for a tour of Shanghai, Hangzhou and Guangzhou.

Sub-Saharan Africa

Cameroon Signs Joint Cultural Cooperation Accord
*OW170802789 Beijing XINHUA in English
0533 GMT 17 Aug 89*

[Text] Yaounde, August 16 (XINHUA)—China and Cameroon have signed a cultural cooperation agreement for the period of 1989-1990.

The agreement, signed here Wednesday, calls for China to send arts, medical and sports experts to Cameroon in 1989 and 1990. The two countries will exchange delegations of youth, women, teachers, journalists, sportsmen, sports coaches and handicapped people.

Exchanges of press experts as well as radio and television information is also provided for.

China will also offer seven scholarships to Cameroon students in the next two years, send an art troupe to Cameroon and hold a book and artisans' products fair there.

The agreement was signed by Cameroon's minister of information and culture, Henri Bandolo, and visiting Chinese vice-minister of culture, Wang Jifu.

Wang also met with Cameroon Foreign Minister Jacques Roger Booh-Booh. Wang will leave Cameroon Saturday to continue his African tour.

Latin America & Caribbean

XINHUA Views U.S. Military Action in Panama

Commentary Criticizes Action
*HK1608123889 Beijing XINHUA Hong Kong Service
in Chinese 1103 GMT 16 Aug 89*

[Commentary by staff reporter Liu Ruichang (0491 3834 1603): "This Is Going Too Far"]

[Text] Beijing, 16 aug (XINHUA)—A military exercise for the alleged purpose of "defending" the security of the U.S. Embassy stationed in Panama was staged on the 15th of August by U.S. armed forces right in the center of Panama City. Not only have there been no such precedents in Panamanian history, but it is also rare for the troops of one country to publicly rattle their sabres in a host country without that country's consent.

Recently, the U.S. armed forces stationed in Panama have repeatedly violated Panamanian sovereignty. On 8 August, the U.S. Army forcefully detained 29 Panamanian soldiers and citizens outside its military base, who were on a mission to stop the illegal acts of American troops. On the 9th, the U.S. Army again detained two Panamanian military policemen under provocation and used armored vehicles to seal off Amador Military Zone, which is under the joint administration of the United States and Panama. On the 11th, the U.S. Army deployed a large number of armored vehicles and helicopters and sealed off the Curundu Special Military Zone where Panamanian troops were stationed. Statements made by Panamanian military officers revealed that since May, the United States has held 20 military exercises and has violated Panamanian sovereignty hundreds of times.

Why has Panama, a small country with only a population of 2 million, been subject to such a fate? The apparent cause is that the United States does not like Panamanian strongman Manuel Antonio Noriega and would like to see him removed. The truth of the matter is that the United States is forcing its own will on another country in defending its so called "strategic interests."

In 1903, through an unequal treaty, the United States secured the right to build and permanently use the Panama Canal. Later, it moved the headquarters of the Southern Command, which takes overall command of all military operations in Latin America, to the country. It has since built 14 bases with a regular garrison force of over 10,000 men. To recover its sovereignty over the

canal, Panama has waged long struggles. In September 1977, it signed a new canal treaty with the United States. According to the treaty, the United States will have to relinquish its sovereignty over the canal and withdraw all its troops on 31 December 1999. However, shortly after signing this treaty, the United States sought to revise it so that it can continue to keep its military bases in the Canal Zone after 2000. Noriega, however, refused to comply. Therefore, since mid-1987, the United States has taken advantage of Panama's internal conflicts to interfere in its internal affairs, started campaigns in an attempt to pull down Noriega, applied economic sanctions against Panama, and put military pressure on the country by sending additional troops to the Canal Zone. In May this year, Panama held its presidential election. When Endara, the presidential candidate nominated by the opposition party and supported by the United States, was leading Noriega, and when it was becoming apparent that he might win, Noriega announced the nullification of the election. Feeling angry and frustrated, the United States has recently resorted to playing the trick of sending a large number of troops there to augment its deterrent strength. In addition, it has also threatened to capture Noriega and send him to the United States for trial.

In trying to pull down Noriega, the United States also tries to cover up the fight for the canal, which is a substantive issue, by flaunting two high-sounding excuses: Politically Noriega is not democratic, and he participates in drug trafficking. Whatever the U.S. excuses may be, the Noriega issue should be settled by the people of Panama because this is their internal matter. There is no need for the United States to bother about it.

The United States has indeed gone too far in applying power politics in its dealings with such a small country. This will not only further arouse the national feelings of the people of Panama in upholding their country's sovereignty and national dignity, but will also make Latin American countries indignant. Panama belongs to the Panamanian people. As the late General Torrijos said: It is not a U.S. colony and should not be made a "state of the union." It is unwilling to add another star to the star-spangled banner.

'Roundup' Views Situation

HK1708100489 Beijing XINHUA Hong Kong Service
in Chinese 0630 GMT 17 Aug 89

[Roundup by XINHUA reporter Hu Tairan (5170 3141 3544): "A Dangerous and Noticeable Tendency"—XINHUA headline]

[Text] Panama, 16 Aug (XINHUA)—Over the past 5 days, the situation in the Canal Zone has become tense following U.S. troops breaking through their garrison area in the Panama Canal, and forcing their way into the capital of Panama on two occasions to carry out military exercises.

Not only have there been no such precedents in Panamanian history, but it is also rare for the troops of one country to publicly rattle their sabers in a host country, without that country's consent. This is a dangerous tendency of wanton U.S. armed intervention in Panama. It has attracted attention and the vigilance of world public opinion.

Four helicopters of the U.S. Southern Command suddenly took off from base yesterday morning to dispatch 40 fully armed Marines to the U.S. Embassy located in Balboa in Panama City, and the residence of the U.S. ambassador in the La Cresta residential area on the Spanish Boulevard. The Marines slid down ropes from the helicopters into the U.S. Embassy compound and the diplomatic residential area to "step up protection of U.S. diplomatic organs and the safety of U.S. citizens." Meanwhile, three other helicopters circled at low altitude in the city center to cover the operation.

In the small hours of 12 August, the United States dispatched 12 tanks and 3 military vehicles onto the main streets in Panama City, escorting U.S. Army 'mail' to the vicinity of the Omar Torrijos International Airport, which is 25 km away from the capital, and near the Panamanian Air Force facilities and barracks. They were confronted by two companies of the Panamanian forces there.

Prior to that, shielded by fighters, the U.S. Army also dispatched 100 tanks and 40 military vehicles to the Canal Zone to surround the Amador fortification where the offices of Commander Noreiga are located. The U.S. troops also detained 9 soldiers including Major (ma nu ai er xie yi luo 7456 1167 1002 1422 6200 0122 5012) and 20 citizens.

The U.S. military authorities openly asserted that these "emergency measures adopted to protect the lives and property of U.S. citizens" constitute "the rights of the U.S. Army authorized by the canal treaties." "U.S. ships, vehicles, and planes have the right to mobilize freely in Panama's waters and airspace" without getting permission in advance.

Following the voided Panamanian elections and at a time of sharp confrontation between the two parties—one in, and one not in power—over the shift of the regime, the United States has resorted to armed threats in an attempt to force the Panamanian Government and military authorities to yield and turn the regime over to the U.S.-backed opposition party.

What is more serious is that the U.S. Southern Command declared that it would continue its military exercise to "protect the canal and navigation along the canal." According to the Panamanian authorities and media, the United States has violated the treaties in light of its one-sided explanations of the new canal treaties or by making use of certain imperfect provisions.

Panama has reacted strongly to U.S. military provocations. The Panamanian forces and militia continued their week-long "drive away the aggressors" military exercise and dispatched six helicopters to carry out a simulated exercise of attacking a U.S. military base, cutting the channel which the U.S. Army used to reinforce troops to the base. The navy also carried out an exercise in Panama Bay attacking an enemy naval base to prepare against any armed intervention launched by the United States.

In the face of the tense situation, people have demanded that the United States immediately stop its military operation, which is threatening the safety of Panama, and let the Panamanian people settle their own affairs.

Chilean Naval Training Ship Continues Visit

Crew Visits Hangzhou

OW1608232289 Hangzhou Zhejiang Provincial Service in Mandarin 0900 GMT 13 Aug 89

[Text] Some 100 officers and men, crew members of the Chilean naval training vessel "Esmeralda," arrived in Hangzhou this morning by train from Shanghai. They were accompanied by Senior Colonel (Xiang Dacheng) of the Foreign Affairs Bureau of the National Defense Ministry, and other comrades.

Senior Colonel (Li Yaying), deputy chief of staff of the provincial Military District, hosted a luncheon for the Chilean naval officers and men at (Huajiashan) Guest-house.

This is the third visit to China by the Chilean Navy since 1972.

After winding up their visit to Hangzhou, the Chilean naval officers and men left Hangzhou for Shanghai by train this afternoon.

Ship Leaves Shanghai for Home

*OW1508204589 Beijing XINHUA in English
1447 GMT 15 Aug 89*

[Text] Shanghai, August 15 (XINHUA)—Chilean Navy training ship "Esmeralda" left here for home today after its six-day visit to Shanghai.

Senior Captain Wu Shengli, deputy chief of general staff of the Shanghai base of the Chinese Navy, saw off the Chilean guests at the Yangtze River Navy Port.

During their stay in Shanghai, the Chilean crew members visited factories, toured the city and had a party with Chinese Navy officers and seamen. Some of them also visited Suzhou and Hangzhou near Shanghai.

Political & Social

Yuan Mu Comments on Policy, Uprising

Foreign Policy 'Will Not Change'
OW1608145589 Beijing XINHUA in English
1428 GMT 16 Aug 89

[Text] Beijing, August 15 (XINHUA)—Chinese State Council spokesman Yuan Mu said today that China will not change its foreign policy despite the current wave of anti-China propaganda in some countries.

He said some Western countries stirred up a wave of anti-China feeling after China quelled the counter-revolutionary rebellion in early June. Nevertheless, the Chinese Government has not changed its basic evaluation of the world situation and therefore will not alter its foreign policy.

Interviewed by a group of reporters from Japan's YOMIURI SHIMBUN newspaper in the Great Hall of the People, Yuan said that the basic evaluation by the Chinese Government of the world situation remains the same: The international situation is turning from tension to relaxation and from confrontation to dialogue.

He said that some foreign powers had a hand in the Beijing turmoil. After China squashed the rebellion, some Western countries censured China politically and imposed economic obstacles to China's progress. This is interference in China's internal affairs, he added.

He pointed out, however, that the foreign interference does not come from the whole Western world. China is still willing to develop relations with Western countries on the basis of peaceful co-existence. It is willing to develop economic, trade, technological and other forms of exchange and cooperation with these countries on the basis of equality and mutual benefit.

Fang Lizhi Issue
OW1608160389 Beijing XINHUA in English
1531 GMT 16 Aug 89

[Text] Beijing, August 16 (XINHUA)—Chinese State Council spokesman Yuan Mu told Japanese reporters here today that the solution to the Fang Lizhi problem lies with the U.S. Government.

Asked by reporters from the Japanese newspaper, YOMIURI SHIMBUN, how the problem of Fang Lizhi's taking refuge in the U.S. Embassy in Beijing can be solved, Yuan said: "Whoever started the trouble should end it." The final solution to the problem, therefore, he noted, lies with the U.S. side.

He said that Fang violated Chinese law and there is a warrant out for his arrest issued by the Ministry of Public Security. The U.S. Embassy in China provided refuge for him on the pretext of so-called protection of human rights. This is interference in China's internal affairs, he added.

He pointed out that the U.S. Government has been delaying the solution of the matter. "It is actually taking a burden on itself," he said.

He reminded the reporters that the Chinese Government had lodged protests with the U.S. Government through the Chinese Foreign Ministry, and China will continue to make representations to the U.S. Government.

The spokesman said that the Chinese Government will not use force to pry Fang from the U.S. Embassy, but it will not allow the U.S. Embassy to move him to any so-called neutral country.

He said that in this matter there is not such concept as a "neutral country". If the U.S. sent Fang to a third country, then that country would no longer be "neutral", for it would have interfered in China's internal affairs.

He said that he was doubtful if any country in the world would agree to accept Fang.

Interference, Martial Law
OW1608151989 Beijing XINHUA in English
1434 GMT 16 Aug 89

[Text] Beijing, August 16 (XINHUA)—The counter-revolutionary rebellion which occurred two months ago in Beijing was, in fact, manipulated by a very small number of people who attempted to overthrow China's legal government by terrorist means and violence, State Council Spokesman Yuan Mu said today.

Speaking to reporters from Japan's YOMIURI SHIMBUN newspaper, Yuan said that the counter-revolutionary rebellion not only ran counter to China's Constitution and China's criminal law but also violated the "European Declaration of Human Rights." Such acts would never be tolerated by any country in the world, he added.

He pointed out that the Chinese people regard the revolt as counter-revolutionary because it was aimed at toppling the leadership of the Communist Party and the socialist system.

He said, however, that some people in the West insist on regarding the counter-revolutionary rebellion as a pro-democracy movement and, of course, they will not accept the view of the Chinese people.

China will never force others to accept its views, he said, adding, "We intend to let facts speak."

As for martial law, Yuan reiterated that the enforcement of martial law declared by the State Council in parts of Beijing is in line with the Constitution.

He said martial law has been imposed only in eight of Beijing's urban districts and precautionary measures taken only around major party and government organs, and major traffic intersections.

He pointed out that enforcement of martial law was not a military take-over following a loss of control by the government. This is different from what some Western media have been saying, he stressed.

The enforcement of martial law in parts of Beijing is helping the stabilization of the situation. He declined to say when martial law would be lifted, except that it would be sooner or later.

He said that some Western countries insisted that China must lift martial law if it wants to resume exchanges with them. This amounts to trying to force China to do what they want before contacts can be resumed, he said, adding, "This is an interference into China's internal affairs."

In fact, Yuan said, martial law includes a guarantee of safety for foreign embassies, foreign business offices and foreign residential compounds.

Separation of Powers

OW1608153589 Beijing XINHUA in English
1451 GMT 16 Aug 89

[**"Yuan Mu on Party Construction and Separation of Functions of Party From Those of Government"—XINHUA headline]**

[Text] Beijing, August 16 (XINHUA)—Chinese State Council spokesman Yuan Mu said today that the recent emphasis by the Communist Party of China (CPC) on enhancing its construction and leadership does not conflict with efforts to separate the functions of the party from those of the government.

Interviewed by a group of reporters from the Japanese newspaper YOMIURI SHIMBUN, Yuan said that the party's consolidation efforts are aimed at solidifying the party's ideology and purifying its organization. This does not run counter to the separation of the functions of the party from those of the government, he explained.

One Japanese reporter said that although the 13th National Congress of the CPC stressed the separation of the functions of the party from those of the government, after the quelling of the counter-revolutionary rebellion the consolidation of party construction and leadership was re-emphasized. He then asked if this means that the idea of separation of the functions of the party from those of the government has been dropped.

Yuan replied that the consolidation of party construction and leadership and the separation of the functions of the party from those of the government are not two mutually exclusive concepts.

The lesson drawn from the Beijing turmoil was, he said, that the party's construction and leadership had been crippled.

He said that the enhancing of party construction is directed at bringing into fuller play three roles of the party, namely the pivotal role in political life; the role of a central active force at all levels of government organs, organizations and enterprises; and the pioneering and model role of party members.

The separation of the functions of the party from those of the government, he added, is solely aimed at facilitating and strengthening the party leadership. In the past the party involved itself too much in outside matters to manage its own affairs well.

He re-emphasized that the strengthening of party construction and leadership is a totally different concept from that of the party carrying out all governmental functions.

College Students Expected To Fund Own Studies
OW1608192389 Beijing XINHUA in English
0709 GMT 16 Aug 89

[Text] Beijing, August 16 (XINHUA)—Starting this autumn, entering students in most specialities in Chinese colleges and universities will have to pay part of their tuition fees.

And only a few will have guaranteed job assignments at graduation, "CHINA DAILY" reported today.

The amount of fees the freshmen must pay ranges from 50 to 150 yuan per semester, accounting for roughly seven percent of the total cost of educating each student, the paper quoted an official with the State Education Commission.

But the change will not affect upper classmen, it added.

About 500,000 new students are expected to enter more than 1,000 universities and colleges this autumn.

But college applicants will be encouraged to specialize in such fields as education, agriculture, forestry, metallurgy, mining and geology, subjects that will continue to be offered at full public expense, the official said.

The tuition fees are part of the government's effort to reform the enrollment and job assignment systems of the country's higher learning institutions.

The reform is also meant to raise more funds for the country's money-tight colleges and universities, the official said.

Tuition-free colleges have posed a great financial burden on the state. Costs per college student have increased from below 1,000 yuan in the 1950's to more than 3,000 yuan now, according to statistics from the State Education Commission.

A survey of more than 10 colleges in Beijing showed that all were running deficit, totalling more than 36.7 million yuan, according to CHINA EDUCATION JOURNAL.

The paper attributed the apathy most college students feel about their studies to the fact that the public is paying the bills, the paper said.

Despite fees of 1,800-2,000 yuan a year at universities and 900-1,100 yuan a year for professional training schools, more than 5,000 young people in Beijing alone applied to universities last year as self-financing students, according to the Enrollment Committee of the Beijing Higher Education Bureau.

Article Challenges Supporters of Students
HK1508115489 Beijing RENMIN RIBAO in Chinese
9 Aug 89 p 5

[Article by Zhong Zhi (6988 4249): "Is a Student Movement Naturally Justifiable?—Clarifying a Muddled Idea Which Once Prevailed"]

[Text] A soul-stirring counterrevolutionary rebellion has been basically quelled. Now people should begin to seriously reflect on some issues.

A muddled idea, which violates the regularity in historical development and which is not scientific, existed in the minds of many people for a time. They held that college students, as God's favored ones, represented the hope and the future of the nation, so if they took to the streets and staged demonstrations, their actions were naturally reasonable and patriotic actions. Thus, they unconditionally supported the students. This muddled idea was particularly obvious among some citizens in Beijing. As facts showed, when people had such a muddled idea, they were not able to distinguish right from wrong, and were used unwittingly by people who created turmoil and riots. Otherwise, the social life in the capital would not have been so seriously disrupted, and other cities would not have been so deeply influenced by the situation in the capital and also witnessed serious disturbances.

Is a "student movement" naturally correct, and does it deserve support? No. On 22 February 1946, some college and secondary school students in Chongqing City staged an anti-Soviet and anticommunist demonstration; they even smashed the office of XINHUA RIBAO. That student demonstration was instigated by the Kuomintang [KMT] secret agents who made use of a minor event

in the Sino-Soviet border area to hoodwink some college and secondary school students. At that time, after the victory of the anti-Japanese war, the KMT reactionaries were anxious to drum up support for launching a civil war with the support of the United States. After the demonstration, many students realized that they had been taken in.

Another case was the 10-year "Cultural Revolution" that all middle-aged and old people knew well. During the "Cultural Revolution," millions of "Red Guards" staged "rebellion." Manipulated by the two counterrevolutionary cliques headed by Lin Biao and Jiang Qing, their "rebellion" drew the whole country into serious turmoil and pushed the national economy to the brink of collapse, thus bringing untold disasters to the people. The above two "student movements" have now been negated by history. Unfortunately, some college students nourished by the party and the people in the 1980's, being instigated by a small group of counterrevolutionaries, even tried to overthrow the Communist Party and the people's government. What a distressing event this was!

Any people who were sober-minded witnessed a strange and surprising phenomenon when the turmoil developed into revolt. That is, many rumors that viciously slandered and vilified the party and the government were spread widely, and these rumors were mainly concocted by the Voice of America [VOA]. VOA was notorious in the past several decades for concocting and spreading subversive rumors against other countries. However, some of our college students even openly put up posters to spread the VOA rumors and used these rumors as bullets with which to attack the party and the government. This clearly showed the following two points: First, some people who shouted patriotic slogans loudly while stirring up student unrest and turmoil had already embraced the U.S. reactionary forces as their backer. Their real purpose was not to oppose corruption and official profiteering, but to overthrow the leadership of the Communist Party and subvert the socialist People's Republic. Second, some people who shouted patriotic slogans loudly were a gang of contemptible people who were vulnerable and could only rely on spreading rumors to attack the government. Their rumors were later refuted and negated by facts, one after another.

People who have basic historical knowledge are certainly aware that from the May 4th Movement and the December 9th Movement to the student movements on the eve of the liberation, all genuine progressive and patriotic student movements certainly had two important characteristics. Domestically, they opposed the traitorous, reactionary government; and externally, they opposed imperialist aggression against China. This is the fine tradition of the genuine patriotic student movements. The nature of such student movements determined that the students would never rely on the foreign reactionary forces and would never use the means of spreading rumors, because they grasped the truth, which

was the most powerful weapon. In the recent student unrest, some people claimed to have inherited the May 4th spirit, but this was in fact a serious insult to the May 4th spirit.

Forum Discusses Expectations for Graduates
HK1608014189 Beijing RENMIN RIBAO in Chinese
5 Aug 89 p 5

[Report by Li Mengchao (2621 1125 6389): "What Do Entrepreneurs Expect of University Students?"]

[Text] Some college graduates started to learn foreign languages and to review their lessons the moment they set foot in the factory; then they would take examinations for postgraduate schools or make preparations for further education abroad. How could they expect popularity in the enterprise?

College graduates can be very self-confident today, but they have often overestimated themselves. Their knowledge is out of touch with reality. Very likely, they will lose their way.

It is necessary to persuade college graduates to go down to the grass roots, to temper themselves through labor at posts full of hardship to learn about the proletarian sense of organization, which is as tough as steel.

The Beijing Club for Entrepreneurs and China People's University jointly held a discussion meeting on 12 July on studying the documents of the 4th Plenary Session of the 13th Central Committee concerning the conduct of in-depth educational reform. The entrepreneurs attending the discussion meeting were mostly college graduates. They aired incisive views on conducting in-depth educational reform in institutes of tertiary education from the perspective of the enterprise's requirements for qualified people.

Firm and Correct Political Orientation

Yuan Baohua (China People's University president, concurrently adviser to the Beijing Club for Entrepreneurs): The student unrest in Beijing had from the very start come under the control of a very small handful of evil plotters, and later developed into a riot and counterrevolutionary rebellion. Even the People's University, which has a glorious revolutionary tradition and a rather strong party organization, has not been immune to problems of every description in the recent incident. Some young college students, especially postgraduates and some young people on the teaching staff, were involved in rather serious ideological trends of bourgeois liberalization. This has given us much food for thought. The cream of the students has been brought up in an atmosphere of seeking the best grades and placing the pursuit of professional knowledge above all else. This has resulted in a de facto deviation from the party's educational line.

Zheng Huanming [6774 3562 2494] (Beijing Motor Vehicle Industrial Corporation general executive): College graduates who expect popularity in the enterprise must primarily possess a firm and correct political orientation. They must have correct answers to the questions about what to do and for whom. Ours is a Sino-U.S. joint-venture. Some college graduates came to work here as translators. But when they became skilled in their profession, with their mastery of English improved, they would leave for the United States. One person was under contracted responsibility for a project, and succeeded in signing a contract involving several millions of yuan; then he left the enterprise the first chance he got, and without any sense of responsibility. In June this year, we sent a delegation to the United States, and asked a postgraduate who had been on our payroll for six months to accompany the delegation as an interpreter. The minute he arrived in the United States, he was gone, leaving us just a note. To date, we haven't received any more news about him. Any Sino-U.S. joint venture may become a springboard for people like that to fly abroad. True, they are educated and intelligent, but they have failed to answer the questions about what to do and for whom. It is the purpose of our institutes of tertiary education to develop qualified people, and our college graduates should contribute their part to the country. Should things go on like this, college graduates, who have been nurtured with the blood and sweat of the working people, would be brought up only for the benefit of certain countries; they would even become our own grave-diggers. I believe that institutes of tertiary education are responsible for developing students who possess a lofty sense of social responsibility and a strong enterprising spirit. If everyone molds himself according to his own will, China is sure to be reduced to a state of disunity.

Li Dalin [2621 1129 2651] (Beijing Building Machinery Works director): Lately, I have interviewed some college graduates applying for jobs. I found that their concerns for personal material interests far exceeded their concerns for the enterprise's development and the nation's future. The moment they stepped in my office, they would raise a series of questions about whether the enterprise had a chance to turn into a joint-venture of Chinese and foreign investments; was there any possibility for them to go abroad; would there be living quarters assigned to them, and what would the floor-space be; what about the wages and fringe benefits; and what about the job itself, would it be comfortable enough, so on and so forth. We managed to appoint one of them, who was specialized in accounting, and assigned him to the planning section; but then he left for Hong Kong for good after only six months on my payroll.

Xia Jue [1115 6030] (Beijing Kentucky Corporation, Ltd. board director): Some college graduates are rather ambitious for power and money, but possess a very poor enterprising spirit and sense of discipline. Ours is a joint venture with Chinese and foreign investments, and our workers and staff enjoy a rather high salary, between 300

and 400 yuan. Quite a few postgraduates specialized in chemical industry and agricultural science and technology have recently sent in their applications for jobs as waiters here, saying that an assistant professor or even a professor can be in no better position than this. I don't believe that being a waiter is lowly, but the state has taken so much trouble to develop them in their specialties; they should have at least a bit of enterprising spirit! The Kentucky Corporation has been very strict with maintaining its good reputation. We have made it a rule that chicken left over two hours after being fried should be dumped into the garbage bin, and should never be distributed among the workers and staff for their own use. The management believes that should 10 left over chickens be distributed one day, only 20 fresh chickens would be left the following day. Such practices will only improve our planning in production. Two of our college graduates who specialized in foreign languages openly violated this specific rule, and distributed left over fried chicken to workers and staff, and they themselves held it in their hands, strolling along the street. Consequently, they were fired.

Settle Down at Grass-Roots Units To Undergo Tempering in Hardship

Li Dalin: I was sent to temper myself in the Army and to transform my old thinking in 1968, shortly after my college graduation. In my two-year army life, I did all sorts of odd jobs, including military drill, collecting night soil, and tilling farmland. Undeniably, there were "leftist" practices in those days, but the large number of college students sent down to army units were well tempered in the spirit of bearing hardships. Later, I was assigned work as an assistant at the Building Machinery Works. I worked in 70-some teams and groups out of the 82 at the works for at least one week each. In the following three years, I got familiar with the conditions of the whole factory, and was then qualified for my post. Our generation had been participating in manual labor since Form 5 at primary school, picking up wheat ears, and sending boiled water to the fields. Since our first year at junior high, we had been doing manual labor for a whole day once a week. Many basic things had been cultivated since our primary and middle school days. Today, overall consideration should be taken in educational work with regard to what basic work should be grasped to enable students to develop morally, intellectually, and physically in an all-around way.

Wan Yuying [3769 3768 5391] (Beijing Yanshan Petrochemical Corporation's No3 Chemical Industry Factory party committee secretary): Our graduates of normal college courses should be sent to grass-roots units to temper themselves for three or five years at a stretch; otherwise, they shouldn't be allowed to do office work. They should be sent down to posts involving hardship to temper themselves for a year, including posts involving high pressure, high temperatures, explosions, and pollution. Because workers have to work a lifetime under such conditions, it isn't too much to ask college graduates to do so just for a

year! In such an environment characterized by mass production, they can learn from the working class their fine qualities, and the proletarian sense of organization, which is as tough as steel. Without being tempered through practice, college graduates are more often than not fastidious but incompetent. They are very excited when they talk about the West and Freud, but not very strong in work at their posts. Substantial work, not loud-mouthed talk, brings economic results to the factory. Some college graduates started to learn foreign languages and to review their lessons the moment they set foot in the factory; then they would take entrance examinations for postgraduate school or make preparations for further education abroad. How could they expect popularity in the enterprise?

Zheng Huanming: College graduates can be very self-confident these days, but they often overestimate themselves. They think that with their presence, the enterprise will change, but that is not true. Someone asked the factory authorities to assign him a few assistants the very first day he reported to work at the factory, when he himself was not quite eligible to be an assistant. When I was first assigned work in Beijing from Shandong 25 years ago, I was as complacent as they are today, but when I came to the forefront of production, I found how little I had learned back on the campus. True knowledge can only be discovered and accumulated through engaging in long-term arduous work.

Ma Xiaogang [7456 1420 0474] (China Economic Information Company manager): I was first assigned work at the State Council Economic Development Research Center after my graduation from China People's University Department of Finance in 1983. Many graduates from China People's University had been assigned work at organs directly under the central government. We used to say that China People's University alumni occupied the superstructure. Later on, many of the graduates were sent to work at the grass roots. We knew very little about China's actual conditions, and couldn't help much in decisionmaking if we continued working at top-level organs. Fresh college graduates are more often than not arrogant and cannot hold back their ambitious expressions. Their knowledge is out of touch with reality, and very likely they will lose their way. I attended a conference shortly after my graduation, and criticized the People's Bank for its loan policy; later, I was punitively assigned elsewhere for deviating far from the actual national conditions in my criticism. That enabled me to earnestly sum up my experiences and lessons, which have been very constructive to my growth.

Dong Yulin [5516 3768 7792] (Beijing Club for Entrepreneurs acting deputy director): It is necessary to convince college graduates to go down to the grass roots, for it is there that there are more chances for their tempering. In places where qualified people are few, their talents and intelligence are bound to be given full play. Should they continue to work in the office of some major organs, they would never be given a chance to draft a document, and would remain small potatoes throughout their lives.

Have a Good Grasp of China's National Conditions

Zhang Junhong [4545 0689 7703] (China Economic Development for Industry and Commerce Corporation vice general manager): Lots of alien things have entered China since opening up to the outside world. Young people only have eyes for the material civilization of capitalism, but invariably know very little about things that are backward in capitalism. Over the years, people have had no freedom to criticize bourgeois liberalization, while the dissemination of Marxism has been weak. Consequently, some young people were led astray. This shows that education in Marxist basic theories should never be relaxed. However, such education must be linked to the new situation, and the practice of dogmatism must be avoided.

Li Dalin: Ethical education has been relaxed, and education in communist ideals has been neglected in many secondary and primary schools, while the enrollment rate has become the sole criterion for educational quality. Some teachers have been trying their best to make money, while some school principals have devoted much of their time to seeking donations and grasping production. We heard about such proposals as striving to become entrepreneurs specialized in school-run enterprises and convening a conference on exchanging experiences in school-run enterprises. In my mind, those school teachers will never catch up with us in running enterprises. They'd better improve their role as architects of the soul.

Xia Jue: College students should learn something about history and China's national conditions while they are on campus. Contemporary China has long been in a backward state, with a huge population, and the building of modernization is by no means an easy task. Attention should be paid to revealing the malpractices of modern capitalist society. On three occasions, I have been to the United States to attend certain annual meetings. I have seen with my own eyes the so-called Christopher Street and the casinos, and someone lost a huge enterprise as a stake at the gambling table. Is there any superiority to speak of in such a society?

Zhang Junhong: China People's University has brought from Yanan the fine tradition of hard work and plain living. The education in hard work and bitter struggle should be continued among college students. Economic development is fast in China's coastal areas, but the economic and cultural conditions in many border remote mountainous areas can still be very backward. It takes many years of hard work and bitter struggle to change such situations.

Ma Xiaogang: When I visited the USSR, I found that the Soviet people attached great importance to education in revolutionary tradition. The monument to unknown soldiers by the Kremlin Wall was built only in the 1980s, and there were many memorials to the antifascist war.

Many newlywed couples would stand in line waiting to visit Lenin's tomb. We should refer to all this. Young people should be taught that the PRC did not come into existence easily.

Dong Yulin: Ideological and political work should be strengthened, and a good campus style should be established. I am not for song and dance and neon lights on the campus. One college graduate kept putting off doing his own laundry, and never made his bed after being assigned work upon graduation. The section head in his office visited the dorm, and couldn't stand the sight of the messy state of his room, so he personally did the laundry for the college graduate. Our enterprise should never be run like that.

Li Dalin: We should rely on our own qualified people in developing enterprises. The qualified people the enterprise expects may not need to acquire academic degrees. To my mind, some people pursuing doctorates do not necessarily meet the state's requirements.

There are 200 college graduates among the 2,000 workers and staff in our factory. Those who have met the requirements of their posts are invariably graduates from the Television Broadcast University or college graduates who were originally workers. These categories of college graduates are efficient in whatever posts they are placed. New college graduates who have no working experience whatsoever are liable to accept the practice of bourgeois liberalization. Those who represented our factory and took to the streets for a 1 and 1/2-hour demonstration in the recent riot were precisely these fresh college graduates. One time I gave a lecture to postgraduates of a certain institute of higher education in 1987. The questions they raised were rather interesting. Things which I thought would pose no problem were something rather serious in their eyes, and had to be clarified. On the other hand, they showed no interest in topics to which I thought we must find a solution. Their learning was gravely out of sync with the realities of the enterprise and society.

Wang Yuying: The current method of directly admitting new college graduates to postgraduate schools should come under more careful scrutiny. More vacancies for doctorates should be allowed for those who are on the job, while new college graduates should be assigned to grass-roots units to temper themselves for a year or two before they are admitted to postgraduate schools. In this way, when they work at a higher level later on, their decisionmaking may conform to the grass-roots conditions.

Modern enterprise management involves comprehensive knowledge of multiple branches. The current practice of separating science and engineering from the humanities is unfavorable to developing qualified people for management.

Dong Yulin: If students specialized in the humanities are weak in mathematics, physics, and chemistry, a situation will eventually take shape by which second-rate people run the state.

Xia Jue: China People's University may reconsider the enrollment of cadres, who will become the backbones of classes.

Seize the Opportunity of the Turning Point To Change the Minor Climate in Institutes of Tertiary Education

Huang Da [7806 6671] (vice president of China People's University): Lots of new conditions have surfaced in campus work along with the development of the situation. In recent years, the party has implemented reform and opening up to the world. It was necessary for us to pay attention to absorbing more of foreign things that were useful to us. But later on, things got out of hand. In the wake of the recent incident, bad things may turn into good things, and a new beginning may be created in running the campus better under the conditions of reform and opening up to the world, by adhering to the four cardinal principles.

Article Reviews Jiang's Visit to Shanghai
OW1608073189 Shanghai WEN HUI BAO in Chinese
7 Aug 89 P 2

[Article by WEN HUI BAO reporter Zhang Guanhua (1728 0385 5478): "Ardent Expectations: Jiang Zemin, General Secretary of the CCP Central Committee, in Shanghai"]

[Text] At noon on 1 August this year, Comrade Jiang Zemin returned to the Huangpu Jiang river bank to visit Shanghai, where he worked and fought, after a long, hard journey.

During his brief stay of only a few days, Comrade Jiang Zemin took part in a session of the standing committee of the municipal party committee and a meeting of all cadres in the municipality; visited the countryside, factories, and troops; had a discussion meeting with intellectuals; and attended a victory meeting of the municipal Public Security Bureau and municipal People's Armed Police Force to commend those who distinguished themselves in checking and putting an end to the recent turmoil; and... [ellipses as published]. He warmly bade farewell to the cadres and masses on every front of endeavor in Shanghai and, at the same time, raised ardent expectations.

Agriculture Is the Foundation and People Depend on Food, Which Is as Vital to Them as Heaven Above

Accompanied by Zhu Rongji, secretary of the Shanghai municipal party committee and mayor of Shanghai, and a number of other leading comrades of the municipal party committee and municipal government, Comrade Jiang Zemin arrived in Wujing Village of Tangwan

Township, Shanghai County, in a medium-sized passenger vehicle in the morning of 3 August. After parking the vehicle by the roadside, Jiang Zemin and the leading comrades accompanying him walked the clean and well-kept cement pavement and stopped at the edge of a 100-mu high-yield rice paddy field in Wujing Village. Wearing a green-gray summer suit and a pair of broad-rimmed glasses, Comrade Jiang Zemin glowed with health and radiated vigor. He was very pleased when he saw the vast expanse of neat rows of green rice growing luxuriantly on both sides of the road and heard the water gurgling in the cement irrigation ditches.

On the earthen dike nearby stood a signboard, which read "High-Yield Plot of Wujing Village." The signboard showed the rice strain planted, the dates on which it was planted and cultivated, and the production target. Comrade Jiang Zemin carefully read the signboard and inquired about the population, production, and morale of the peasants of Wujing Village. Sheng Yafei, secretary of the Shanghai County CPC Committee, who was on hand, told him that there were over 700 households with a population of more than 2,300 in Wujing Village, that that particular high-yield plot of rice paddy had a total area of 103 mu, that its production was under collective management, and that its per-mu yield could reach 550 to 600 kilograms. After hearing this, Comrade Jiang Zemin happily said: There is not much arable land in China. It is still necessary for us to pursue a course of increasing per-unit area yield if we want to promote agricultural development. Comrade Zhu Rongji interrupted: We must develop more high-yield rice paddy plots in Shanghai's suburbs.

According to the Shanghai County comrades, a great deal of funds must be invested to develop high-yield rice paddy plots like this one. This 103-mu rice paddy required 800,000 yuan of investment. It apparently is comparatively difficult to turn all grain fields in the suburbs into high-yield plots like this one within a very short time. However, the guiding ideology that agriculture is the foundation and that people depend on food, which is as vital to them as heaven above, should not be forgotten even for a moment. Comrade Jiang Zemin has emphasized this point several times in the past few years. This time, he said again: Of all China's land, only 40 percent is arable. This is about the same as in the United States, but much less than in Canada. Per-capita cultivated land totals 15 mu in the United States and 80 mu in Canada. But in China, it is only 1 mu plus!

Comrade Jiang Zemin said: The biggest problem concerning our population of 1.1 billion is providing enough food for the people. The only way to solve this problem is to fully utilize all arable land across the country and increase the yield per unit area. Meanwhile, farmland must be used sparingly; arable land must not be occupied at will or without authorization.

Comrade Jiang Zemin inquired in detail about the production of vegetables grown in sheds at the 100-mu vegetable and horticultural farm of Wujing Village.

There were a total of 40 large sheds, with some 15-16 varieties of vegetables planted there. Over 2,500 quintal of vegetables had been delivered from there to the market for sale during the first half of the year. They contributed to solving the problem of vegetable supply for residents. Zhang Yan, secretary of the municipal Rural Work Committee and director of the municipal Agricultural Commission, told Comrade Jiang Zemin: The quality of the agricultural plastic sheets made in China is still not acceptable. Its life span is short. Besides, it allows water to drip through, causing crops to be affected by disease. There is a kind of "plastic sheet which is impervious to water" made abroad. Its life span is longer than ours. Water dribbles downward along the plastic sheet, but does not drip through it. Farmers are able to deal with insect pests and prevent weeds from growing rampant by using plastic sheets of different colors... [ellipses as published]. Comrade Jiang Zemin showed keen interest in this report. He said: "Agriculture still must rely on science." During a discussion meeting with cadres of Shanghai County, he suggested that Comrade Zhang Yan compile a set of teaching materials on the scientific plowing of farmland and circulate them among county party committee secretaries. He suggested that Comrade Zhang Yan also send him a copy for study.

Comrade Jiang Zemin took a rather great interest in visiting the toy factory of Wujing Village. The factory produces luxury toys for exports. Last year it generated \$5.6 million dollars in foreign exchange. Comrade Jiang Zemin expressed belief that development of such enterprises should be promoted because they do not compete with large enterprises for raw materials, yield good economic results, and do not cause pollution.

Upon leaving the toy factory, Comrade Zhu Rongji once again looked around the plain and unadorned factory building and told the village cadres meaningfully: What I most admire in particular is that the factory building lacks any furnishings or ornaments, which shows that little importance is placed on creating an imposing appearance, even though you have generated so much foreign exchange.

It Is Necessary To Depend Wholeheartedly on the Working Class

In the afternoon of that same day, Comrade Jiang Zemin drove to the Shanghai No 2 Textile Machinery Plant, which is located on Changzhong Road. Earlier, on 5 January this year, in his capacity as secretary of the Shanghai municipal party committee, Comrade Jiang Zemin had inspected the plant and had held a discussion meeting with its plant director and the directors of some other plants. This time, he visited the No 2 Textile Machinery Plant in his current capacity as general secretary and had a cordial discussion meeting there with cadres of the industrial, communications, financial, and trade sectors; labor models; chiefs of advanced teams and groups; and workers from the first line of production in the municipality.

Zheng Jinxiu, chief of the Nan [South] No 1 cloth-weaving machine team of the Shanghai No 1 Cotton Mill, was the first to speak at the discussion meeting. On behalf of the workers of the team, she gave a briefing on the efforts by the plant to have the various sections compete with each other in becoming an advanced team or group.

After listening to her speech from beginning to end, Comrade Jiang Zemin asked the comrades who spoke after her to talk more about the actual problems that existed among the factories and enterprises. He said with all sincerity: My visit to Shanghai is like the "return of a married daughter to her parents' home." Please feel free to talk about any problems you may have.

During their conversations with Jiang Zemin and other leading comrades, all present at the meeting expressed resolute support for the "decision of the CPC Central Committee and the State Council on accomplishing a few jobs of common concern to the people in the near future" and said that they would start with themselves in cultivating the thinking of serving the people wholeheartedly, and firmly resist and overcome unhealthy trends among the various trades and professions. In his speech, Chen Suxian, secretary of the party committee of the municipal Bureau of Posts and Telecommunications, made a report on strengthening ideological and political work, conducting criticism of party members, making public the system of performing official duties, and accepting supervision by the masses. Huang Jinlan, leader of a fleet of buses servicing Route 49 of the Subsidiary Automotive Company No 2 of the municipal Public Transportation Corporation; Zhang Lansheng, manager of the municipal Cultural and Physical Education Equipment Import-Export Company; and Teng Yilong, secretary of the party committee of the Jiangnan Shipyard, also spoke at the meeting.

At the meeting, Comrade Jiang Zemin highly appraised the firm stand taken by the working class of Shanghai in checking and putting an end to the recent turmoil, as well as their contributions to stabilizing the situation in Shanghai and throughout China. He said: The conduct of the working class of Shanghai and throughout the country proves that the working class deserves to be called the leading class. We have been made even more deeply aware of the necessity to wholeheartedly depend on the working class by their conduct during the recent turmoil.

Comrade Jiang Zemin added: The working class is the leading class; and the CPC is the vanguard of the working class. Therefore, it is necessary to pay attention to recruiting party members from among industrial workers. By so doing, the leading role of the working class can be better utilized.

Before the discussion meeting, Comrade Jiang Zemin managed to visit branch factories No 3 and No 4 of the No 2 textile machinery plant by making the best use of

his time in spite of his tight schedule. Young worker Li Yongzhi was operating a lathe which was equipped with a digital control device at the processing center of branch factory No 4.

"How many years have you worked in the factory?" Comrade Jiang Zemin asked.

"Only 3 months."

"Have you completed your middle school education?"

"After I graduated from senior middle school, I studied at the technical institute affiliated with this factory for 2 years."

.... [ellipses as published]

Comrade Jiang Zemin warmly held out his hand to him. Young Li said with embarrassment, "My hands are very dirty." Comrade Jiang Zemin said, "That's all right." He firmly grasped the hand of young Li and sincerely said, "We'll depend on you in the future." A tone of earnest wishes and ardent expectations rang in his words.

On the morning of 5 August, Comrade Jiang Zemin again visited a workshop of the Shanghai No 1 Iron and Steel Mill (it is now the No 2 Steel-Smelting Branch Mill). Comrade Mao Zedong made an inspection there on 28 September 1958. Putting on a safety helmet, Comrade Jiang Zemin ascended the platform and, in front of the steel-smelting furnace which had a temperature of around 50 degrees centigrade, extended his solicitude and thanks to the workers and successively shook hands with Tang Jinfa and other furnace chiefs.

Comrade Jiang Zemin asked about the situation at the plant during the several days when Shanghai was in turmoil. When he heard that not one person of that plant took to the streets, that some workers rode their bicycles from Hongqiao to report to work, and that some workers even worked five consecutive shifts, he was deeply moved and asked them to convey his regards to those comrades.

When he left the No 2 converter workshop, many excited workers surrounded him. Comrade Jiang Zemin warmly exchanged greetings with them and led them in singing the song "Our Workers Have Strength." As they sang, many workers were unable to remember the words of the song. Comrade Jiang Zemin said with deep feeling: "This shows that we have not sung this song for quite some time. We should still sing this kind of song now. He also said: "Article 1 of the General Principles of the Constitution stipulates that 'the People's Republic of China is a socialist state under the people's democratic dictatorship led by the working class and based on the alliance of workers and peasants.' We rely fully on the working class." Hearing this, the workers applauded enthusiastically. Comrade Jiang Zemin showed great interest in the domestic production of Santana cars.

Before leaving the Shanghai No 1 Steel Plant, he rode a remodeled Santana sedan around the square of the plant, accompanied by Comrade Zhu Rongji. Comrade Jiang Zemin expressed satisfaction with the smooth progress made in the production of the vehicle.

The Party's Policy on Intellectuals Will Not Change

In spite of his busy schedule while he was in Shanghai, Comrade Jiang Zemin did not forget the vast number of intellectuals in Shanghai.

A windstorm and torrential rain on the evening of 3 August had left many places deluged with water the next morning. Riding in a medium-sized van, Comrade Jiang Zemin arrived at the Shanghai International Education Center in Guilin Road and met and had a heart-to-heart talk with nearly 180 intellectuals from science, technology, education, and propaganda departments.

As Comrade Jiang Zemin entered the meeting hall, he met Xie Jin and other comrades whom he knew very well. He called their names one by one and cupped one hand in the other in front of his chest, as if greeting old friends. As he did earlier, he let others speak first while he himself spoke after them.

Among those who took the floor were Yuan Enzhen, director of the Economics Institute of the Shanghai Academy of Social Sciences; Wang Yinglai, honorary director of the institute; Wang Huning, associate professor of Fudan University; Yan Guocai, professor of the Shanghai Teachers' University; noted movie director Xie Jin; Xu Ziliang, director of the Jiading County Agricultural Bureau and senior agrotechnician; and Peng Wenyi, principal of Fuxing Middle School and deputy to the municipal People's Congress. Comrade Jiang Zemin listened attentively to their speeches, made notes in his notebook from time to time, and occasionally interrupted to ask questions. The atmosphere in the meeting hall was one of harmony.

"In the past, we often had an opportunity to talk informally with Comrade Jiang Zemin..." Before he was able to finish the sentence, Comrade Jiang Zemin interrupted: "It is still like before; let's talk in an informal way."

When a comrade said that many young students and intellectuals were still puzzled and that it was necessary to strengthen education in Marxism-Leninism and national conditions, Comrade Jiang Zemin indicated that he agreed with him. He said: After the turmoil is put down, there is a great deal of work to be done. He pointed out: Intellectuals are part of the working class. They are a force the party relies on. Neither the party's policy toward intellectuals nor its double hundred policy will change. Without intellectuals, we will be unable to carry out socialist modernization. Certainly, intellectuals need to constantly study and improve their understanding.

At the forum, Comrades Jiang Zemin and Zhu Rongji also highly praised the performers of the Shanghai Kunqu Opera Troupe—Liang Guyin, Yue Meiti, Liu Yilong, and Wang Zhiqian—who displayed a firm stand and absolute loyalty to the party and motherland during their tour abroad. Comrade Jiang Zemin stood up and took the lead in clapping to extend greetings to them.

Advance Reform and Opening Up

Comrade Jiang Zemin has profound feelings for Shanghai. He joined the CPC before liberation and finished college at Shanghai Communications University. After liberation, he was assigned to work in Shanghai several times. He could not bear to part with Shanghai to work at the Central Committee.

Cadres and the masses of Shanghai hope that Comrade Jiang Zemin will, after becoming general secretary, continue to care for and guide Shanghai's work. Comrade Jiang Zemin said with emotion: My pulse will continue to beat with that of the people of Shanghai. Shanghai is the country's largest industrial city. It is a comprehensive economic center with a good image in the international community. In the future, Shanghai must further implement reform and opening up, and make even still greater contributions to the whole country. He stressed: In learning from foreign nations, we must not just look at their surface and learn only some superficial knowledge; rather, we should truly learn their advanced science, technology, and management know-how. Shanghai must not halt its pace of reform and opening up; instead, it must advance forward in a down-to-earth manner. The people of Shanghai will redouble their efforts to fulfill the various tasks set forth by the 4th Plenary Session of the 13th CPC Central Committee and report to the CPC Central Committee with new achievements.

JIEFANG RIBAO Report

OW1508055789 Shanghai JIEFANG RIBAO in Chinese
7 Aug 89 p 2

[“General Secretary Among the People of Shanghai” by JIEFANG RIBAO reporter Tan Xiaowei]

[Text] Comrade Jiang Zemin visited Shanghai. During his short stay of 5 days, the general secretary went among the grassroots. He had extensive contacts with workers, farmers, the People's Liberation Army fighters and commanders, intellectuals, and cadres, and warmly talked with them. The people who met him were all touched by his kind attention.

“Let Me Shake Hands With the General Secretary”

Outside the No 2 converter workshop of the Shanghai No 1 Steel Plant, workers warmly surrounded Comrade Jiang Zemin, who wore a safety helmet, and vied with one another to say “Let me shake hands with the general secretary.” Comrade Jiang Zemin warmly shook hands

with the steel workers and exchanged greetings with them. At that time, the general secretary proposed: “How about singing a song? How about the song ‘Our Workers Have Strength’?”

“Good.”

“Our workers have strength, hi, our workers have strength; we work hard every day, every day....” Under the direction of Comrade Jiang Zemin, they began to sing loudly. As they sang, Comrade Jiang Zemin found many workers had forgotten the words to the song and said: “We should sing this kind of song more frequently.” Hearing this, a comrade said: “I have not seen anything like this for years.”

During his visit to the No 4 branch factory of the Shanghai No 2 Textile Mill, he had a brief conversation with Li Zhiyong, a young digitally-controlled machine tool operator, and offered to shake hands with him. Little Li immediately picked up a piece of cloth to wipe his hands. “It doesn't matter,” said Comrade Jiang Zemin. Before little Li was able to wipe his hands clean, his hands were firmly held and shaken by the general secretary.

At a forum of intellectuals, Comrade Jiang Zemin greeted Xie Jin, Wang Yinglai, Zhang Junxiang, Zhang Ruifang, Yuan Xuefen, and Cao Peng individually and said: “We are all old friends. Let's have a heart-to-heart talk.” At the forum, Xie Jin mentioned the four noted performers of the Shanghai Kunqu Opera Troupe who rejected the lure of money and insisted on returning to the motherland. Comrade Jiang Zemin proposed: “May I ask them to stand up so I know who they are?” To warm applause, Liang Guyin, Yue Meiti, Liu Yilong, and Wang Zhiqian stood up. At a meeting of party, government, and military cadres, Comrade Jiang Zemin walked to every table and shook hands with all the comrades present. He said with some emotion: “I cannot bear to part with Shanghai.”

Comrade Jiang Zemin was visiting Shanghai to, in his own words, “say goodbye and hand over my work.”

During a conversation with comrades in Shanghai, Comrade Jiang Zemin said: In late July, when I was on an inspection tour of Hubei, my car passed the Huang He [yellow crane] Building. “The sight of that building reminded me of Shanghai. I told myself not to be like the yellow crane in the famous poem about the Huang He Building, which flew away, never to return.” These remarks evoked laughter from those present. He also discussed his “relationship” with Shanghai. Before liberation, he was a student at Shanghai Communications University. He stayed in Shanghai until 1954. He went back to work in Shanghai during the 3 years of natural disasters and left 4 years later. After the smashing of the “gang of four,” he returned to Shanghai as a member of the work group of the CPC Central Committee stationed

in Shanghai. In 1985, he was again sent to Shanghai and worked there for 4 years. He has left countless footprints in Shanghai and has profound feelings for the city.

Directly Hear the Voice of the People

People knew from their observations that, in addition to saying goodbye and handing over his work, the general secretary wanted very much to directly familiarize himself with the actual situation and hear the voice of the people.

At a forum of workers, Zheng Jinxiu, leader of a weaving group of the Shanghai No 1 Cotton Mill, read a prepared script. After she had finished, Comrade Jiang Zemin said to her kindly: "I have a request. I want very much to know what problems you have in the mill, what difficulties remain to be solved, and the actual situation here. Later, you can still take the floor without consulting your script. All right?" At a forum of intellectuals, when he was told that, due to limited time, only an hour had been set aside for forum participants to make speeches, he said immediately: "Make it 1 and ½ hours. I want to hear their views first." When he heard that Wang Huning, a professor of Fudan University, was writing an article on combating corruption, he said immediately: "Can you make a copy of your article for me to read?" At a forum in Tanwan Village, Shanghai County, Zhang Yan, secretary of the municipal Rural Work Committee and director of the municipal Agricultural Commission, said that the annual investment in agricultural capital construction by rural industrial enterprises in Shanghai suburban counties was about 200 million yuan. Sheng Yafei, secretary of the Shanghai County CPC Committee, said at the forum that the committee was ready to carry out work to promote affection between the people on one hand, and the party and government on the other. Comrade Jiang Zemin wrote this down in his notebook. He attentively heard briefings on the situation in the rural economy there, foreign trade production, family planning, and other subjects, and made periodic notes. In his notebook, he also wrote down the plans of the Shanghai suburban counties for implementing the guidelines of the fourth plenary session: Improving party conduct, carrying out education on socialism, patriotism, plain living, and hard work; enhancing education on awareness of state planning; and so on. He also noted the ardent expectations of the Shanghai people on the seven tasks, adopted by the CPC Central Committee and State Council, to be carried out in the near future. "The people are glad and concerned about the seven tasks." "The decision on the seven tasks is good." He also wrote about the difficulties encountered by Shanghai in carrying out key construction projects, as well as suggestions for conducting ideological and political work. On the morning of 5 August, he also watched, with great interest, a remodeled Santana car and expressed satisfaction with the smooth progress made in the manufacture of the car.

During his stay in Shanghai, the general secretary rode every day with Shanghai comrades in a medium-sized van. Wherever he went, no beverage other than tea was served. Comrade Jiang Zemin also insisted on having his meals at home.

High Hopes Placed on the People and the Work in Shanghai

During this visit, Comrade Jiang Zemin, who had worked and lived in Shanghai for a long time, placed high hopes on the people and the work of this municipality.

Comrade Jiang Zemin expressed the hope that Shanghai would implant the guidelines of the 4th Plenary Session of the 13th CPC Central Committee deep into the people's minds by developing a wide-scale and in-depth campaign to study the guidelines and by doing down-to-earth ideological and political work. At various forums, he paid attention to the actual thinking in the minds of people from various circles and used the methods of heart-to-heart talks and exchange of experience to deepen their understanding of the guidelines of the 4th Plenary Session of the 13th CPC Central Committee.

At a workers forum, over 100 workers, engineers, technicians, factory directors, and secretaries heard the following remark, which represented the hope that the general secretary placed on the working class: As elder brothers, workers should play a leading role in overcoming difficulties and practicing austerity for a few years! Whatever the circumstances, people from all walks of life in Shanghai should go all out to develop the economy! Moreover, the general secretary asked Shanghai to further boost the vitality of big and medium-sized enterprises by deepening enterprise reform. He said: Big and medium-sized enterprises hold a dominant and leading position in the national economy. When they have enough vitality, they can play a backbone role in economic construction, and hopes of success in developing the economy can be anticipated.

When talking with rural cadres in the countryside, Comrade Jiang Zemin stressed on numerous occasions that since food is the first need of the people, agriculture should be considered the foundation. Facing a high-yield experimental plot in Wujing Village, Tangwan Township, in Shanghai County, he told the cadres of these figures: In our country, the cropland per capita averages only a little over 1 mu, compared with 15 mu in the United States and 30 mu in Canada. We should exploit every inch of our arable land to the fullest and do our best to raise the yield per unit area.

As we recall, last year, when Comrade Jiang Zemin was secretary of the Shanghai municipal party committee, at a meeting, he once used the following words to describe Shanghai's situation at that time by following the style of the famous line in "Eulogy to Tengwang Pavilion," written by Wang Bo, a poet of the Tang Dynasty. This particular line reads: "In the glow of sunset flies a lonely

wild duck; the autumn river and the wide sky present the same color of beauty." Comrade Jiang Zemin's words were: "In the midst of difficulties exist our hopes; opportunities and challenges appear at the same moment of time." This is still the situation now faced by the Shanghai people. They should bear in mind the earnest hopes the general secretary placed on Shanghai: Shanghai is the country's largest industrial city and economic center, as well as an important international port. Definitely, it should, and also has the conditions to, make new achievements in expanding the scope of reform and opening to the outside world. Shanghai has great, untapped potential in this regard. It has a great deal to do and foresees a promising future.

Yes, the Shanghai people will no doubt bravely meet the challenge; unremittingly overcome difficulties; take giant strides toward reform, opening, and the four modernizations; and strive to make still greater contributions to our country!

Jiang Emphasizes Role of Working Class
HK1608093089 Beijing LIAOWANG in Chinese
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[("Special Article" by staff reporter He Ping (0149 1627): "We Must Wholeheartedly Rely on the Working Class—Highlights of General Secretary Jiang Zemin's Discussion With Comrades Attending an Enlarged Meeting of the Presidium of All-China Federation of Trade Unions")]

[Text] In midsummer, a discussion was held in Huairantang Hall, Zhongnanhai.

On the afternoon of 26 July, Jiang Zemin, general secretary of the CPC Central Committee, who had just returned to Beijing after inspecting the work of combating floods in Hubei, and other leading comrades, including Wan Li, Qiao Shi, Yao Yilin, Song Ping, Li Ruihuan, and Wen Jiabao, held a discussion with nearly 100 comrades attending the 13th Enlarged Meeting of the Presidium of the 11th Executive Committee of the All-China Federation of Trade Unions.

After Comrade Ni Zhifu, president of the All-China Federation of Trade Unions, who presided over the discussion, made a short opening speech; presidents of the Federation of Trade Unions of Beijing, Tianjin, Shaanxi, Wuhan, Shenyang, and other provinces and cities; and presidents of the Trade Union of Defense Industries, including Shang Baokun, Pan Yiqing, Jiang Rong, Xue Zhaojun, Li Meifang, Wang Wenyi, and Guan Hengcai, spoke successively at the discussion.

The Working Class Is Our Mainstay

As spring was changing into summer this year, our People's Republic experienced a severe test. In this violent storm, the working class took a firm and clear-cut stand, stood fast at their posts, and stabilized the general

situation. It really played its role as a mainstay in our country. In their speeches, they cited a host of facts to show that the working class is not only a main force for developing social productive forces and stabilizing society, but also the most reliable class force for upholding the four cardinal principles and persisting in reform and opening up.

Shang Baokun, president of the Beijing Federation of Trade Unions, said: Student unrest in Beijing developed into turmoil, and eventually into counterrevolutionary rebellion. The whole process lasted more than 2 months. However, due to the fact that more than 3 million workers and staff members stood fast at their posts, power, water, and energy supplies in the municipality were never interrupted. In the meantime, grain and nonstaple food supplies for more than 11 million residents of the municipality could be ensured.

In this violent storm, the working class in Tianjin, a city adjacent to Beijing, also demonstrated its heroic true qualities. In his speech, Pan Yiqing, president of the Tianjin Federation of Trade Unions, talked about how workers in Tianjin organized their "double defense team." [shuang wei due 7175 5898 7130] Under the banner of "defending Tianjin and defending the people" of the Tianjin Municipal CPC Committee and government, a 350,000-member "double defense team" was organized throughout the municipality to assist public security cadres and policemen, the Armed Police Force, and people's armed forces departments at all levels in their work. Members of the team patrolled the streets, protected factories and shops, and maintained social order, so that factories and shops in this big city of 8 million population could continue their normal operations. No traffic in the city was blocked, and there were no incidents of beating, smashing, looting, and burning. The team made contributions to preventing turmoil, stabilizing Tianjin, and defending the capital.

Shanghai is the biggest industrial city in the whole country. With its daily 300 million yuan industrial output value, it affects the economic situation of the whole country. In the week between 4-10 June, due to the fact that a very tiny number of persons erected roadblocks, burned trains, and blocked traffic in the city, production was facing the danger of paralysis. Jiang Rong, president of the Shanghai Federation of Trade Unions, said: Under such extremely difficult conditions, more than 5 million workers in Shanghai, under the leadership of the municipal CPC Committee and government, organized workers pickets. They cooperated with relevant departments to promptly remove roadblocks, strike blows at ruffians, maintain order, and stop turmoil.

Retrospection and Hope

We must soberly review what happened in the past, and think of the future. This is an issue put forth by Comrade Deng Xiaoping to the entire party and people throughout

the country, and calls for deep thought. After the storm, what is worth considering with regard to the role of the working class as the main force in our country?

In their speeches, many comrades stressed that to persist in the "one center, two basic points," we must wholeheartedly rely on the working class. However, in recent years, our propaganda of relying on the working class has been diminishing, and has increasingly been "neglected." In particular, medium-sized and large enterprises are the mainstay of our national economy, and workers have created the largest quantity of social wealth. But society did not pay due attention to them. This affected and dampened the enthusiasm and creativity of the broad masses of workers and staff members. They are dissatisfied with this.

In their speeches, all participants unanimously hoped that the central authorities would persistently implement the policy of relying on the working class, and that the implementation of the policy will be guaranteed in terms of system, planning, and measures. Workers must not be regarded as an umbrella to be used when it is raining, and discarded when the day is fine. Therefore, they urged the relevant departments to work out detailed rules and regulations for the enforcement of the "Labor Law" and the "Enterprise Law," and to revise "Trade Union Law." In the meantime, measures must be taken to vigorously propagate the position and role of the working class, and firmly establish the idea of relying on the working class wholeheartedly. They also hoped that the central authorities would take effective measures to overcome corrupted phenomena, handle and punish those who guilty of government profiteering, and so on. If the government can make achievements in this regard, they will win the support of the masses.

The Work of Trade Unions Must Not Be Neglected

Xue Zhaojun, president of the Shaanxi Federation of Trade Unions, said: "In the process of developing democratic politics of socialism, it is very important to give play to the role of trade union organizations." He added: One of the reasons why so many people were involved in the student unrest was that a number of people believed that many problems could not be solved. To their minds, the problems could be partially solved when a small disturbance was created. They could be completely solved when a great disturbance was created. Therefore, we must encourage the masses to establish the confidence that the normal channel for democracy is unblocked, and that their opinions can be expressed through normal democratic channels with an aim of solving the problem. Trade union organizations must become one of the important democratic channels.

At this point, General Secretary Jiang Zemin, who was listening tentatively and taking notes, chimed in and asked: When your provincial CPC Committee is studying important issues, are trade union cadres invited to participate in the work?

Xue Zhaojun answered: I should say that leaders of our provincial CPC Committee have done comparatively well in this regard. Provincial Governor Hou Zongbin convened joint meetings between provincial government and trade unions to coordinate their views and discuss problems of overall significance. Practice has proved that this method has demonstrated the close cooperation between the government and the mass organizations, and their relations of mutual support, and increased the transparency of the work of the government and trade unions. In such a way, the masses will realize that trade unions speak for workers, and that the government works for them. This will be good for enhancing the authority of the government and improving the image of trade unions. We maintain that the feelings, opinions, voice, and demands of the workers must become an important basis to be taken into account by the highest decisionmaking body of the party and state. Therefore, we hope that the participation in and discussion of political and government affairs by the trade unions will become a system. It is not enough to rely on the wisdom and democratic work style of leading cadres alone.

General Party Secretary's Encouragement and Entrustment

Participating comrades spoke one after another. Comrades Qiao Shi, Yao Yilin, Song Ping, Li Ruihuan, and others also spoke and chimed in from time to time. At last, all participants set their eyes on Jiang Zemin, the new general secretary of the CPC Central Committee.

Jiang Zemin said: Student unrest developed into turmoil, and eventually into counterrevolutionary rebellion. The working class in our country kept the whole situation in mind, and underwent a severe test. They played an important role in stabilizing the overall situation. Just as Comrade Xiaoping has pointed out, our working class is completely reliable. In this severe political struggle, trade union organizations at all levels resolutely fought against the plots of creating disturbance, instigating strikes, and splitting the contingent of the working class, and played their role as a social political organization under the leadership of the party.

Jiang Zemin pointed out: Our country's Constitution explicitly stipulates: "The People's Republic of China is a country led by the working class, and a socialist country of the people's democratic dictatorship based on worker-peasant alliance." This has defined the leading position of the working class in terms of law. Only by relying on the working class wholeheartedly can we continuously win our victory in revolution, construction, and the cause of reform and opening up. This has been repeatedly proved by history. Therefore, party and government leaders at all levels must understand that to implement the principle of "one center, two basic points," we must wholeheartedly rely on the working class. In particular, we must give play to the key role of our industrial workers. Without the consciousness, wisdom, and creativity of the working class, we can

achieve nothing. There is no doubt that intellectuals are also a component part of the working class, and we must give full play to their positive role.

While talking about the work of the All-China Federation of Trade Unions, Jiang Zemin said: The CPC is the vanguard of the working class, and the federation is a mass organization of the broad masses of workers and staff members. The federation is also an important social and political organization in the social life of our country. Therefore, it must carry out its activities under the unified leadership of the party. In the meantime, it must do its work independently in light of its nature and characteristics, truly represent the interests of workers and staff members, reflect their voices, actively participate in and discuss government and political affairs so that it will become a channel for carrying forward democracy, and play its role of linking the party with the broad masses of workers and staff members. In addition, the federation must become a great communist school which provides ideological education for the broad masses of workers and staff members. It must provide the broad masses of workers and staff members with education in patriotism and in upholding the four cardinal principles, so that workers and staff members will become the masters of their own affairs, and resist and overcome the influence of bourgeois liberalization. The party and government must pay attention to giving play to the role of the federation, and positively and steadily reform it, so that it can carry out its various functions more effectively.

The broad masses of workers and staff members hope that the central authorities will accomplish some solid tasks of public concern. With regard to this matter, Jiang Zemin pointed out: Unfair social distribution has become one of the factors which dampens the enthusiasm of workers and staff members. This is not only an economic problem, but an important social and political problem. The problem of promoting a clean and honest administration and opposing corruption concerns the life and death of a ruling party. The CPC Central Committee and the State Council are studying and making arrangements for gradually solving these problems. We are determined to conscientiously and firmly grasp these problems and make achievements in this regard, so that we can win the support of the people.

In conclusion, Jiang Zemin stressed: The current economic situation in our country is good in general. But we are also facing numerous difficulties. The party Central Committee hopes that our working class, which has a glorious tradition, will carry forward the spirit of self-reliance, arduous struggle, and building up the country through thrift and hard work. With a high sense of responsibility of being the master of its own affairs, the working class must make efforts to carry out the drive of double increase and double economy, recoup lost time, overcome all difficulties, fulfill the plans for production, ensure the supplies, and serve the people. In the course of improving the economic environment, rectifying the

economic order, and deepening the reform, it will fully play its role as the main force, and make its due contribution to socialist modernization in our country.

Article Criticizes Zhao's Transformation Theory
HK1708093689 Beijing JIEFANGJUN BAO
in Chinese 6 Aug 89 p 1

[Article by Yang Zicai (2799 1311 2088): "To Improve or to 'Transform'?"]

[Text] There have been fallacies since ancient times, but more have appeared in recent years. Some self-styled "academics" and "celebrities" have in recent years fabricated fallacies to deceive and mislead the people. Even the general secretary, Comrade Zhao Ziyang, actively responded to their fallacies. A prominent example is their blatant assertion to "transform ideological and political work." Upon the emergence of this fallacy, some people took the thoughts of Zhao Ziyang as a guide and claimed to be "old hands" in ideological and political work. But as a matter of fact, they knew nothing about ideological and political work. As a result, ideological and political work became the "target of transformation."

The word "transformation" is of long standing. The "Book of Songs" compiled by Confucius 2,000 years ago used this word. This word can also be found in the "Chinese Wordbook," which uses "reformation" and "reconstruction" to define the word, meaning that "the old must be changed and the new must be built." In social practice, when people speak of "transformation," they mean "fundamentally changing the old and building the new." The transformation of capitalist industry and commerce in the 1950's was aimed at "fundamentally changing" it into socialist industry and commerce. In our long years of efforts toward ideological transformation, we have been striving to "fundamentally change" bourgeois and petit bourgeois ideology into proletarian ideology. Needless to say, Zhao Ziyang's assertion of "transformation" was aimed at "fundamentally changing" our ideological and political work to "set up a separate kitchen" for his own purpose. While he was general secretary, he assumed a bourgeois liberal attitude toward our party. What he said and did has provided evidence of this.

We have always maintained that ideological and political work in the new period needs improvement. But what we mean is fundamentally different from Zhao Ziyang's "transformation." It involves a principled controversy on fundamental issues instead of just a dispute over the use of words.

First, it is a controversy on whether ideological and political work should be upheld. In our opinion, we should adhere to the four cardinal principles in our ideological and political work; base this work on Marxist theory; arm our minds with Marxism-Leninism-Mao Zedong Thought; use the party's line, principles, and policies to educate the people; ensure party leadership

over all trades and undertakings and the Armed Forces; and uphold the principle of unity between officers, soldiers, and civilians. This will help maintain a correct orientation in ideological and political work. But according to Zhao Ziyang's "theory of transformation," these principles must be "fundamentally changed" and negated.

Second, there is argument over whether there is a need to inherit and develop the tradition of carrying out ideological and political work. In our opinion, our party's and Army's fine tradition of persisting in ideological and political work, including seeking truth from facts, upholding the mass line, propagating a democratic work style, and setting a good example for others, is precious spiritual wealth for us and has powerful vitality. It should be inherited and carried forward. But according to Zhao Ziyang's "theory of transformation," this tradition must be "fundamentally changed" and negated.

Third, there is argument over whether the organizational form and methods of ideological and political work should be improved. In our opinion, it is necessary to maintain a skilled, high-quality political cadre contingent in the course of reform and opening up to the world; avoid following the beaten path and copying the previous "leftist" methods; study the characteristics and rules of ideological and political work in the new period; blaze a new trail; enrich the content of ideological and political work; create new methods; sum up experiences; improve ideological and political work; and display its role better. But according to Zhao Ziyang's "theory of transformation," all these problems concerning self-improvement must be "fundamentally changed" and negated.

Fourth, there is controversy over the purpose of ideological and political work. Our purpose in improving ideological and political work is to strengthen it. Ideological and political work should be strengthened in light of the actual conditions of our country and Army. This will enable the entire party, the entire Army, and all people to foster a lofty revolutionary ideal, to keep firm revolutionary faith, to cultivate fine morality and habits, to love the country and labor, to obey discipline, to work hard, to have selfless devotion, to fully display our political superiority, to resist bourgeois liberal ideas and all sorts of erroneous ideas, to overcome all difficulties, and to score a new victory in construction and reform. Our officers and soldiers stood the test of politics, hardship, and death in the course of putting down the counterrevolutionary rebellion. We may say that this was the result of displaying our political superiority. But according to Zhao Ziyang's "theory of transformation," the principles, fine tradition, organizational form, and methods concerning ideological and political work must be "fundamentally changed" and negated. This could result in the elimination of our lifeblood and in allowing bourgeois ideology to occupy the ideological field.

Zhao Ziyang's "theory of transformation" reminds us of this folktale: "Shu was the emperor of the South Sea, Hu was the emperor of the North Sea, and Hundun was the emperor of the Central Sea. Emperors Shu and Hu frequently met where Emperor Hundun resided. Hundun was quite hospitable to them. Shu and Hu wanted to repay his kindness, saying: 'A man has seven holes through which he sees, listens, eats, and breathes. But this man does not have any holes, so let us make seven holes in him.' They put one hole in Hundun each day, and within 7 days he died." This folktale tells us about the fact that different people always try to transform the world in different images. Zhao Ziyang, complying with the political demands of bourgeois liberalization advocates, tried to "transform" our ideological and political work by "making holes in it," according to the intention of these advocates. If we had been "transformed" according to his intentions, we "would have died in 7 days" after "seven holes were put in us." We are not exaggerating to scare people. Just imagine, if he had succeeded in "transforming" our ideological and political work, Marxism would have been declared "outdated," party leadership would have been "weakened," and people would have no longer mentioned the socialist road or the people's democratic dictatorship. Thus, obstinate bourgeois liberalization advocates would have been able to spread their "doctrine" "orthodox," turn the socialist system into the capitalist system, and to the people's democratic dictatorship into a dictatorship run by the workers, peasants, and intellectuals in the country. Was the Beijing counterrevolutionary rebellion not a rehearsal aimed at bringing about a "fundamental change"?

"Thousands of ships are passing by a sunken boat; bushes are springing up around a fallen tree." Zhao Ziyang's "theory of transformation" has gone bankrupt since the quelling of the counterrevolutionary rebellion. The practice of our struggle has once again proved that the ideological and political work of our party and Army is a magic weapon for defeating the enemy. Let us work hard to develop our fine traditions, to explore and blaze new trails, to strengthen our "lifeblood," and to bring its role into better play in our construction and reform.

Hunger Striker Hou Dejian Recalls Unrest
OW1708131289 Beijing Domestic Service in Mandarin
1000 GMT 17 Aug 89

[Text] We will now broadcast the recorded interview which composer Hou Dejian granted to reporters from XINHUA, China Central Television [CCTV], and this station at his residence this afternoon. Hou Dejian took refuge at a certain country's organization in China on 4 June. The Chinese Ministry of Foreign Affairs made representations with the country on many occasions, stressing that it was illegal for foreign organizations in China to take in Chinese citizens, and that the organization should let him out as soon as possible.

Hou Dejian returned to his residence on 16 August. During an interview with reporters from XINHUA, CCTV, and this station at his residence this afternoon, he talked about what he saw during the clearing of Tiananmen Square on 4 June. The following is the recorded interview:

[Begin recording] [Unidentified reporter] What was the situation of the students [words indistinct] in Tiananmen Square? Can you tell us about the situation at that time?

[Hou] At that time, many people dared not leave [bu gan zou] and continued to linger around the Monument to the People's Heroes, but many people were willing to leave, and many thought they should. There were also people who wanted to stay; they were not sure why, but they continued to stay there. At that time, we four hunger strikers considered the matter and thought we should leave the square. So, we started to get ready to leave.

To make the story short, the first thing we did was to tell the student leaders what we thought and asked them if they agreed. The second thing we did was to try to calm down the students and the people. Two Red Cross Society doctors proposed that we should talk to the martial law units to see whether they could give us some time to try to convince the students to leave the square peacefully and voluntarily [he ping zhu dong che li guang chang]. Thus, we divided our responsibilities. Accompanied by the two doctors, (Zhou Zuo) and I went to see the martial law units, but we did not know where they were. So, we intercepted an ambulance. We thought the martial law troops were still far, far away, or in some other locality. We did not realize they were nearby and were virtually posted everywhere along Changan Avenue. There was not a single pedestrian or other person on the avenue at that time, except the few of us. After we stepped out of the ambulance, we said we wanted to talk to [words indistinct]. A political commissar named (Ji) came to meet us. He was a three-star officer... [reporter interrupts]

[Unidentified reporter, laughing] You still remember?

[Hou] Our talk was quite amicable. He told us that the students could leave the square from the southeast corner. We then returned to talk to the students. What we told the students was primarily this: Although we did not solicit their views, we accomplished something, and while we would not force them to accept the proposal to leave the square, we hoped they would calmly consider the situation at that time. We then briefly talked about our negotiations, including the designation of Political Commissar (Ji's) unit, (?his guarantee) that students could leave the square from the southeast corner, and that they would have enough time to do so. At that time, the students had all sorts of views amongst themselves. While we tried to persuade the students to leave, we also wanted to talk to the troops again to see if we could have

some more time. When the two doctors, (Zhou Zuo), and I returned to the northern side of the square, before we reached the central part, we met Political Commissar (Ji) again. He told us that troops had started to move to the monument where the students were gathered. He told us simply that time was running out for his troops and that they must act. I then ran back. From a distance I could hear the students arguing about leaving or not leaving. I could not tell which group of students was louder with their shouting. [Words indistinct] we paid no attention to that. Anyway, whenever I saw students still sitting on the ground, I pulled them up and urged them to leave. At that time, some students were already leaving the square slowly from the southeast corner. I do not know how long it took for all the students to leave the square. In short, what we four talked about to the students when they were leaving the square... [sentence incomplete] because they were worried whether they could leave the square safely. Later, when the students began to move [words indistinct] they were not as emotional.

At last, when I was still at the monument watching the departure of the students, many Army soldiers were already at the monument. But it seemed that other troops were still some distance away from the monument. I saw some soldiers holding their rifles horizontally. I waved to them and asked them to point their rifles skyward. Half of the soldiers took up their guns, and the other half urged me to leave quickly. Some of the departing students also shouted at me, urging me to leave quickly. But I and (Zhou Zuo) discovered that the east side... [corrects himself] the northeast corner and the northern side of the square were areas where there were the largest numbers of students, but we didn't know exactly how many. Then (Zhou) and I stepped down from the monument and headed toward the northeast corner of the square, and then we turned toward the northern side to lead the students out.

There were many soldiers in the areas starting from our western side to the northern side of the monument, and they were gathering very quickly. They were also moving toward us very quickly. When we left, we tried to drag some people with us. The soldiers to our rear were getting closer and closer. The last groups to leave the square had about several hundred people. We stood up and began to move out. After 2 hectic days and nights of running around everywhere, I felt very weak, and several students took me to a Red Cross emergency aid center by the side of the museum. After taking a short rest I felt better, and then I heard people say that the students had left the square... [corrects himself] left the monument, gotten around the Memorial Hall, and reached the front gate. That was what I saw when the students left the square.

[Unidentified reporter] During the entire process, do you believe the allegations that people were killed?

[Hou] I did not see any. I did not see with my own eyes people—whether students, residents, or soldiers—being killed. I did not see with my own eyes anyone being killed.

[Unidentified reporter] You were in the last group of people leaving the square?

[Hou] I was among the last group of people, numbering more than 100.

[Unidentified reporter] One of the 100 or so people? Before your whereabouts were known, there were many rumors... [Hou interrupts]

[Hou] There were all kinds of rumors—rumors such as I had gone to the United States, or I had returned to Taiwan, or I had gone to Hong Kong or Australia—all kinds of rumors. In fact, I was staying at an organization of a foreign country in China. I stayed in an office of the organization all the time because I was not very informed of the situation outside. Then, I started to gradually establish some contacts with the authorities. In addition to the outside situation, one other thing that became increasingly clear to me was that the policy toward Taiwan—the policy that (?people from) Taiwan (?could come and go) freely—would not change. With this knowledge, we began to think about when we could return home. [Words indistinct] I was not injured.

[Unidentified reporter] Did you talk to other units about what you saw and heard; primarily what you saw and heard early in the morning of 4 June?

[Hou] I wrote some things down because I was afraid I would forget certain details and make mistakes after some time. So, about 10 days or so after we left the square on the morning of 4 June—around 14 June—I wrote down some details in the form of a memorandum, or a diary. What I said a while ago was very simple. I have written down a more detailed account. After I finished writing it, I put it aside, because we did not know about the situation outside. After reading it, some friends maintained that it was vastly different from what they had heard, including the claim that thousands of people had been killed in the square. It seems that my account is very different from theirs, but my account is what I saw.

[Unidentified reporter] You are saying that you recorded in your diary a relatively detailed account of what happened on 4 June ... [Hou interrupts]

[Hou] The situation from 1200 in the evening of 4 June to 0800 the next day. [sentence as heard]

[Unidentified reporter] You've recorded a relatively detailed account of the situation?

[Hou] Things I saw with my own eyes.

[Unidentified reporter] When did you leave Tiananmen Square?

[Hou] The time I left the square was... [pauses] I am not sure, because as soon as Doctor (Shi) came, he asked me anxiously [words indistinct] whether I had any serious wounds or other problems. I told him I did not have any, but I was very weak. I said I could still walk.

The two doctors were particularly good to me. By that time, the students had already gone. How could I leave the square alone? All I could do was lie down on the stretcher. One student gave me an overcoat because it was very cold at that time. He covered me from head to toe with the coat, and then seven or eight doctors and nurses lifted me up and took me all the way to a hospital. It was 0800 when I arrived at the hospital.

[Unidentified reporter] It was already 0800 when you arrived at the hospital?

[Hou] Right.

[Unidentified reporter] Which hospital did you stay at?

[Hou] The Shoudi Hospital, but the doctors were from the Red Cross Society.

[Unidentified reporter] When you were still in Tiananmen Square, did you hear gunshots? [Another reporter joins in, asking a similar question "... hear any gunshots'"]

[Hou] I heard gunshots. I also saw shooting with my own eyes. It happened when the students left... [corrects himself] when they should have left. I saw a dozen or so soldiers coming up. They pointed their guns at the loudspeaker hanging on a corner of the monument. [Hou speaks in excited tone] They opened fire at the loudspeaker! The several soldiers I saw opening fire opened fire toward the sky.

[Unidentified reporter] Did you see any tanks or armored vehicles rolling over people in the square as was alleged?

[Hou] No. There was no such thing as tanks rolling over people in the square. I saw some tanks moving from the northern side of the square to a place some distance away from the monument. They stayed there.

[Unidentified reporter] About how many tanks?

[Hou] It looked like three or four. They were stationary. Before I was covered with the overcoat, I did not see any tanks moving around. I am saying that the tanks, after they had moved in, stayed in the square motionless. I did not see any soldiers driving their tanks around.

[Unidentified reporter] Well, we are very thankful for your account. [end recording]

No Sign of Sabotage in Shanghai Plane Crash
OW1708102789 Beijing XINHUA in English
0936 GMT 17 Aug 89

[Text] Shanghai, August 17 (XINHUA)—An investigation group of the Tuesday plane crash here denied any possibility of damage by humans here today.

No signs had been traced to show the crash was a sabotage, an official from the group of the Civil Aviation Administration of China (CAAC) said after a two-day investigation.

There was neither explosion nor fire on the plane when it plunged into a river after an aborted take-off, he added.

The plane was under strict supervision before it took off for Nanchang. All passengers underwent strict safety check-ups before they went on board, the official said.

The cause of the accident is still under investigation, the official said.

Thirty-four people were killed and six survived in the crash. The victims include six crew members, two Japanese and 26 Chinese passengers.

New Laws To Reaffirm Religious Freedom
OW1408131689 Beijing XINHUA in English
0533 GMT 14 Aug 89

[Text] Beijing, August 14 (XINHUA)—China is enforcing its policy of religious freedom and strengthening friendly ties with foreign religious groups by drafting more laws, "CHINA DAILY" reports today.

The freedom of religion enjoyed by Chinese citizens has helped to preserve the country's social stability and the unity of its numerous nationalities, the paper quoted an official from the Bureau of Religious Affairs under the State Council.

The country's 100 million religious believers didn't get involved in the recent turmoil except very few, the official emphasized.

The policies on religion made on the basis of the state Constitution won't be changed because they have been proved right and effective by the past events, he said.

Followers of religion should stick to the four principles laid down in the Constitution, which includes one of Marxism and Mao Zedong Thought.

"That doesn't mean they must give up their religious beliefs. It merely requires that they do nothing violating the principles," he said.

The principles also guide the relations between religious groups on the mainland and their foreign counterparts as well as those in Hong Kong and Macao.

They are based on non-subordination, non-interference and mutual respect.

No foreign religious group would be allowed to interfere in China's internal affairs, he stressed.

Foreign religious groups and those in Hong Kong and Macao are welcome to see the stable situation and the lasting freedom of religion shared by Chinese people, he added.

Buddhism, Taoism, Islamism, Roman Catholicism and the Protestant Church are the main religions popular in China, he said.

Medical Experts, Officials View Hospital Reform
OW1208113789 Beijing XINHUA in English
0750 GMT 12 Aug 89

[Text] Beijing, August 12 (XINHUA)—Medical experts and officials of the Public Health Ministry, including Minister Chen Minzhang, met to discuss how to appraise hospitals' money making activities and how to deepen the reform of the hospital system, the GUANGMING DAILY reported today.

Professor Song Hongzhao delivered a report on the results of a survey begun in June 1988. According to the survey, instituting the contract responsibility system in hospitals has abolished equalitarianism, spurred the enthusiasm of medical workers, improved the economic results of hospitals, alleviated the strain on medical facilities and raised medical workers' incomes.

However, the report also noted that some serious problems exist in the reform of the hospital management system. For example, many hospitals overcharge patients, some inflate statistics to fulfill contract quotas, many vie to import medical equipment, directors of hospitals make great efforts to increase income and neglect training and development, medical workers stress quantity at the expense of quality to meet quotas and senior doctors treat too many outpatients cutting into the time they can spend giving guidance to young doctors.

Professor Song and other medical experts suggested strengthening the study of policy and the economics of health work, increasing state investment in medical care, working out standard fees and adjusting irrational fee standards, raising medical workers' wages with financial subsidies from the state, and strengthening education to improve the behavior and morality of medical workers.

Minister Chen Minzhang said that the ministry understands the problems arising in the reform of the hospital management system, but some questions need further investigation before solutions can be found.

Rural Doctor Shortage Remains Problem
HK1408030689 Beijing CHINA DAILY in English
14 Aug 89 p 3

[By staff reporter Zhu Baoxia]

[Text] Although the training of rural health workers has made great strides in China in the last 40 years, a shortage of qualified personnel remains a major problem for public health work in the countryside, according to Xu Wenbo of the Chinese Medical Association.

The number of rural health workers has increased five-fold since 1949, and the figure for rural medical doctors has doubled in the last 30 years.

There are now 1.73 million rural health workers in China.

But with the rapid development of the rural economy, more and better medical services are needed by the local population, thus requiring more rapid expansion of training for rural medical workers, Xu argued in a report to the Ministry of Public Health.

At present, he said, the number of medical personnel still falls far short of people's needs.

In the rural areas, which contain more than 800 million of China's 1.1 billion people, there is only one doctor for every 3,000 people. In urban areas, the ratio is one doctor per 500 people.

And many people employed as medical workers have no professional training.

A survey of 8,166 rural medical workers in six counties in Heilongjiang and Jiangsu provinces revealed that only 40 percent had graduated from high- or middle-level professional medical institutes or schools.

Many untrained workers had joined rural medical staffs years ago due to the shortage of medical personnel and the policy which allowed parents to hand on their jobs to their children.

Not only does this situation undermine the quality of medical care in the countryside, but it creates a burden for professional personnel who must provide training to their unskilled colleagues.

Another problem is that most of the highly qualified medical personnel are concentrated in hospitals and health establishments at the country level.

Of the 2,117 advanced medical workers in Heilongjiang and Jiangsu provinces, only 25 percent were working in health units at the township level. The rest were in county-level establishments.

Further contributing to the shortage is the fact that few medical school graduates are assigned jobs in rural areas.

In Nantong County, Jiangsu Province, 161 people were enrolled in medical colleges from 1977 to 1981.

After graduation, only 30 of these were assigned to health units at the county and township levels.

Military

Leaders Compete for Zhao's Vacant Post
HK1708082689 Hong Kong SING TAO JIH PAO
in Chinese 17 Aug 89 p 2

[“Special” dispatch: “Dispute About the Election of the First Vice Chairman of the CPC Central Military Commission Occurred at a Meeting in Beidaihe”]

[Text] Since Zhao Ziyang was dismissed from the posts of general secretary and first vice chairman of the CPC Central Military Commission, many military personnel in the CPC have been casting their greedy eyes on the second post. At the enlarged meeting of the Central Military Commission held in Beidaihe last week, Yang Shangkun and Wang Zhen were nominated for this post. Wan Li, Qin Jiwei, and the commanders of three military regions were quite annoyed at this and abstained from voting. Wan Li and Qin Jiwei even quit the meeting place before the meeting was over, forcing it to stop. It will be continued in Beijing later this week.

Our sources in Beijing said that the CPC Central Military Commission held an enlarged meeting in Beidaihe last week. The participants included commanders of the seven military regions, Defense Minister Qin Jiwei, Director of the General Logistics Department Zhao Nanqi, Director of the General Political Department Yang Baibing, Chief of General Staff Chi Haotian, PRC President and concurrently Permanent Vice Chairman of the CPC Central Military Commission Yang Shangkun, National People's Congress Chairman Wan Li, and PRC Vice President Wang Zhen.

The sources pointed out that many questions on the agenda were discussed at the meeting, such as the nature of the People's Liberation Army [PLA], what the PLA did during the recent “counterrevolutionary riot,” and the question concerning the selection of a person for the post of first vice chairman of the Central Military Commission. But when the last question was discussed, disputes arose.

The sources said that Deng Xiaoping, chairman of the Central Military Commission, who had been in poor health and who felt that the Army's morale had been shaken since the “4 June” Incident; who was apprehensive that the phenomenon of each doing things in its own way might appear within the Army and that the Army might establish another central government and abolish the existing one, hoped that someone would be elected as

soon as possible to replace Zhao Ziyang as first vice chairman of the Central Military Commission so that the Army could be stabilized. Before the enlarged meeting was held, Deng Xiaoping had a meeting in private with commanders of the seven military regions, hinting and suggesting that Wang Zhen should take this post.

The sources pointed out that as different opinions and factions had appeared among various military regions and both Yang Shangkun and Qin Jiwei, who had military power in hand, were casting greedy eyes on the post of first vice chairman of the Central Military Commission, two persons—Wang Zhen and Yang Shangkun—were nominated for the post at the enlarged meeting. Wang Zhen was supported by Deng Xiaoping's faction and Yang Shangkun was supported by his cousin Yang Baibing, director of the General Political Department, and his son-in-law Chi Haotian, chief of general staff.

However, the faction supporting Defense Minister Qin Jiwei was quite unsatisfied with this, as only two persons were nominated at the meeting. To express their dissatisfaction, Qin Jiwei, Wan Li, and the commanders of three military regions, including Commander Xiang Shouzhi of the Nanjing Military Region, Commander Zhou Yibing of the Beijing Military Region, and Commander Zhang Wanping of the Guangzhou Military Region, abstained from voting, making the atmosphere of the meeting rather strained. Qin and Wan even left before the meeting was over on the excuse of not feeling well. The meeting was thus forced to stop.

The sources revealed that as the CPC Central Committee was afraid that the armies of various military regions might fight against each other because of this, the commanders of the seven Military Regions were ordered to stay in Beijing after the meeting to study documents of the central authorities so as to prevent them from making any deployment in their regions. The enlarged meeting will be continued in Beijing later this week, and the situation will become clearer after that.

Article Outlines Military Enterprises' Tasks

HK1508032589 Beijing JINGJI GUANLI
in Chinese No 6, Jun 89 pp 25-27

[Article by Hou Jianwu (0186 1696 2976): "Strategic Changes in Military Industry Enterprises"—edited by Shen Zhiyu (3088 1807 3342)]

[Text] Following the readjustment of the policy for defense construction, China's military industry enterprises are now undergoing two strategic changes as they switch from military to civilian production and from a domestic to an external orientation. In the course of effecting these two changes in recent years, the Chengdu Aircraft Company came to realize that if a military industry enterprise wishes to survive and develop in the course of change and become a military-civilian enterprise with its own characteristics, it must embrace a

correct guiding ideology and take effective measures in three respects, namely, product development, readjustment and transformation, and supporting reforms.

1. Product Development Is the Key Factor

Product development is the first problem that will confront a military industry enterprise when it changes from an enterprise which is solely engaged in military production into a military-civilian enterprise. For an enterprise, product development is the key factor. It is the foundation on which an enterprise depends for its survival and development. Product development has an important bearing on the immediate and long-term development of an enterprise, and guides and conditions all aspects of the work of an enterprise. Thus, careful and correct policy decisions in this regard are required.

On the question of product development for military industry enterprises, the understanding of the Chengdu Aircraft Company is a gradually deepening one. In the early stage of switching from military to civilian production, the company was indiscriminate in its efforts to produce civilian products. It accepted all production orders, even orders for making bird cages. After 6 months and a lot of hard work, it concluded over 960 contracts, but only realized an output value of 20 million yuan, 4 percent that of 1985. It is thus obvious that such piecemeal orders cannot sustain a large military industry enterprise. On the question of product development, a military industry enterprise must take into account its strong points and seriously consider how best it can make use of its advantages in terms of equipment, technology and manpower. Otherwise, it will be a monstrous waste, and the desired economic benefits cannot be achieved. Among military industry enterprises, those under the aeronautics and astronautics industry are operated in such a way that is particularly suited to the small-batch production of single products. They have no advantage over local specialized factories in the large-batch production of ordinary civilian products. In early 1986, after summing up its working experience, the company emphasized that it would stick to the policy of "basically serving the aviation industry" and "big enterprise doing big things" in its development. In product development, it singled out the following aspects as areas of emphasis:

First, to energetically develop military and civilian aircraft needed at home and abroad. The success or failure of the aviation industry has a very important role to play in the economic development and scientific and technological advancement of a country. Basing itself on the fact that demand for aircraft equipment is not great and that requirements are continually growing, the Chengdu Aircraft Company lost no time formulating the necessary policies to maintain a backbone force and to step up the research and production of aviation products. With a limited market for military aircraft at home, the company worked hard on producing high quality but cheap products to sell more. It actively modified and improved

its existing models according to the requirements of domestic and foreign consumers, and actively developed new follow-up aircraft for export. In 1988, military aircraft exports accounted for 40 percent of the company's total sales. In 1989, the export value is expected to exceed 50 percent, reaching the highest level achieved in the past. This shows that although market competition is keen and difficulties are great, a lot can still be done. It all depends on human efforts.

Second, to subcontract for the production of aircraft components and parts for foreign companies. Subcontracting will give the company an opportunity to assimilate the advanced technology and management techniques of foreign countries and establish sales channels. It will also provide the enterprise with a major source of foreign exchange. After negotiating for more than 1 year, the company concluded a contract with McDonnell-Douglas for the production of civilian aircraft nose cones in 1987. This was the first time China had won such a complicated order for large-body aircraft parts. Through the execution of this contract, the company not only reaped considerable economic benefits but was able to prepare itself for future subcontracts for aircraft components and parts from international companies. This also further strengthened the technological superiority of China's aviation industry.

Third, to produce import substitutes. The production of import substitutes by military industry enterprises will help these enterprises switch their mode of production. It will also help the state save foreign exchange and satisfy the needs of national construction as well as the needs of the people. Because this measure can kill many birds with one stone, the company grasped the production of import substitutes as a breakthrough point in its efforts to switch its mode of production. The 12-KG totally-concealed dry cleaner and ironing equipment developed by the company with its comprehensive testing facilities for aircraft manufacturing has been approved by the state as import substitutes.

Fourth, to produce electromechanical products for export. Compared with local enterprises, military industry enterprises enjoy much better conditions in terms of technology, equipment and manpower and should therefore become a main force in producing electromechanical products for export. The hydraulic jacks developed by the company with its technology for the production of aircraft landing gear are now available as a series with sizes ranging from 0.5 ton to 20 tons. These jacks are exported to nine countries, including the United States of America and Australia. The company's 50D and 50F motorcycles are exported to the United States and Southeast Asian markets.

Fifth, to support the development of other industries with advanced military industry technologies. China's auto industry is slow in changing the models it produces because it is weak in car body die-processing technology. To meet the needs for new models, China is still

importing considerable amounts of dies each year. Since car dies and aircraft dies are quite similar, the Chengdu Aircraft Company, with the backing of the China Automobile Company and the Ministry of Aeronautics and Astronautics Industry, is making use of its computer-aided design and computer-aided manufacturing technologies to start a car die manufacturing center. The center is already accepting orders for the manufacture of principal car dies. The "Yi-wei-ke" principal die manufactured by this company is up to international standards of the 1980s.

2. Readjustment and Transformation Are the Key Links

After a military industry enterprise has switched from military to civilian production, the product mix of the enterprise changes, and the original pattern of production will no longer be able to meet new demands. Moreover, since the original combination of production factors is not a hundred percent rational, it may not be totally suitable for the switch to civilian production. On the technology level, "indigenous" methods are still used in certain key areas in aircraft manufacturing. On the equipment level, due to the special nature of the industry, the emphasis tends to be placed on high-grade, precision and advanced products. Performance to scale is not high. Further, since most military industry enterprises have all along placed emphasis on the development and trial-production of products or on the small-batch production of single products, production basically remains in a state of "small-batch production and large varieties," which is quite different from the large-batch production of civilian products. Thus, military industry enterprises must center on the readjustment of the product mix. They must readjust the production pattern and reorganize and transform the production factors.

First, there must be separate production lines for military and civilian production. In the initial stage of developing civilian products, the Chengdu Aircraft Company did not have special production lines for major civilian products and instead mixed the production of military and civilian products. This not only adversely affected the development, trial-manufacture and production of aviation products, but also affected the quality and quantity of civilian products. This accounted for the lack-luster performance of the company's civilian production. Later, in keeping with the principle of a high starting point, specialization and large-batch production, the company established four specialized factories for the production of civilian products. This facilitated management and the organization of business operations. It also created conditions for using key products in developing internal and external lateral alliances. This practice was also beneficial to the further implementation of the process whereby civilian products are produced in separate independently-operated factories with rights, responsibilities and interests.

Second, the technological base of the enterprise must be transformed, supplied with the necessary accessories, and improved. The technological transformation of a military-civilian enterprise comprises two aspects: On the one hand, technological conditions have to be created for the development, trial-manufacture and production of civilian products; on the other hand, technological transformation has to be carried out to upgrade the technological standards of military products. Some people argued that military industry enterprises did not have to go through technological transformation to produce civilian products. This is not true. The production of military products and the production of civilian products are different and each has its own special characteristics. In particular, since civilian products are produced in large batches, to lower the cost of production and compete in the market favorably technological transformation must be carried out in accordance with the characteristics of the production of civilian products and the laws governing the production of these products.

On the question of technological transformation, we must actively embrace the guiding ideology of "making an income and striving for development," and make an earnest effort to properly handle the relations between immediate and long-term interests. The ideology of "making an income and striving for development" does not mean that we must first make an income and then strive for development. It means that we must make an income and at the same time strive for development. If we do not invest now, we may have an easy time for a while. However, this will also mean that our enterprise will lack stamina and will be unlikely to have a bright future. We should take immediate interests into account because without immediate interests there will not be long-term interests. However, it is because of long-term interests that we should pay attention to immediate interests. When the two clash with each other, immediate interests should give way to long-term interests. Military industry enterprises must be resolute and bold in transforming their existing technological base before they can actively adapt to the changed situation with the initiative in their own hands, and overcome the difficulties. At present, competition is extremely keen in the international and domestic markets. The focal point of competition is primarily the technical performance and quality of products. Several years ago, Country A planned to buy aircraft from the Chengdu Aircraft Company and considered the price reasonable. In the end, it decided to buy planes from another country. These planes were of a much higher price, but the performance was also better. This clearly tells us that the technical performance and quality of products determine their markets. On the whole, the equipment and technological processes used in our military industry enterprises are advanced by domestic standards, but they still lag quite a long way behind international advanced standards. This places us in an unfavorable position in international market competitions. To upgrade the performance and quality of our products to international standards, the only way is to carry out

technological transformation in enterprises. It is precisely based on this understanding that the Chengdu Aircraft Company has insisted on investing fixed sums of money in technological transformation in recent years despite the fact that it is suffering from funds shortage due to a decline in orders for the production of military products. At present, the company's original value of fixed assets is more than twice the value in 1978. Thanks to this technological strength, it was in a position to subcontract from McDonnell-Douglas for the production of passenger aircraft noses. This shows that you cannot attract the golden phoenix without the Chinese parasol tree. The cultivation of the Chinese parasol means carrying out technological transformation and increasing the stamina of our enterprises.

In technological transformation, we must have the courage to take risks. In the past, military industry enterprises did not have to worry about anything because everything was taken care of by the state. There was no threat from changes in external factors, and no risk involved in the making of management decisions. At present, military industry enterprises are faced with the new environment of the commodity economy. They have to take risks and make decisions under risk when they are confronted with new conditions or new problems. Practice shows that if an enterprise does not wish to take risks in its development, particularly in the matter of major technological transformation, there will be hidden dangers in its development. If an enterprise resolves to carry out technological transformation early, it will have a head start. If its determination is great, it will have a great future. If it does not make up its mind, it will have no future.

3. Supporting Reforms Are the Guarantee

In the course of developing its products and carrying out readjustment and transformation, military industry enterprises must break away from the original pattern. In doing this, they will meet with all kinds of contradictions and friction. To overcome this problem, they must intensify the supporting reforms internally to guarantee the smooth transfer to another mode of production.

In its reform efforts, the Chengdu Aircraft Company first of all reduced the size of its accounting units. Military industry enterprises are subject to highly-centralized management because they have long been solely engaged in the production of military products. Under the new situation, and based on the fact that conditions in different types of specialized factories are different, the Chengdu Aircraft Company suitably reduced the size of the original factories in the spirit of streamlining administration and decentralizing power and in accordance with the principle of "integration at the top and separate entities at the bottom." It rationally readjusted the division of work according to products or specialized technological processes, turning these into relatively independent production and operation entities as far as possible. The original eight factories were reorganized

into 16 specialized factories, each with its own independent accounting system and responsible for its own profits and losses. In reducing the size of accounting units, the company emphasized the need to maintain a scientific attitude, do things in accordance with the laws of production, and have factories of appropriate size. What is meant by appropriate size is that the factories are large, medium-sized or small depending on their tasks and functions. A large military industry enterprise is an entity to begin with. Its factories are not totally independent entities and must be subject to the business objectives of the company in their actions, and must serve the overall interests of the company. Thus, while the company allows its factories to manage their own affairs independently and to practice separate budgetary plans, it does not split its bank account. The company still keeps one bank account, but runs its own internal banking services. The general principle is that a large enterprise should not be dismembered just because the accounting units are reduced in size. Otherwise it will lose its original advantage as a group.

Next, the Chengdu Aircraft Company improved its internal system of contracted responsibilities. In accordance with the characteristics of the research and production of military products, which involve a long cycle, a multitude of cooperation relations and great technical difficulties, and bearing in mind that sufficient flexibility must be allowed to invigorate the production of civilian products, the company instituted an internal system of contracted economic responsibilities whereby factories may work for their own targeted profits after ensuring the completion of the company's mandatory plans. Two-year contracts with progressively increasing profit targets were signed with the specialized factories. Toward administrative departments, sections and offices, a system of contracted responsibilities with fixed economic, technical and work targets was instituted. Toward military-civilian specialized factories specializing in the production of military products, the company's policy was to protect military production and ensure the fulfillment of the production tasks. Toward civilian specialized factories, the methods adopted included fixing the percentage of profit for retention in accordance with profits reaped, fixing profit quotas or handing over fixed amounts of profits, and sharing the extra profits according to fixed proportions. In this way, the initiative of all quarters was aroused.

Lastly, the management system was reformed. The closed production-type management system developed in military industry enterprises over the years is incompatible with the development of the commodity economy. Thus, the company found it necessary to strengthen the functions of the marketing, quality-control, overall management, foreign trade, and civilian-product development departments. Drawing from the experience of advanced management systems abroad, it also initially established a matrix management structure which combined project responsibility with overall management.

Experts Praise New Communications System
*HK1608013489 Beijing ZHONGGUO XINWEN SHE
in Chinese 0743 GMT 15 Aug 89*

[Report by Duan Bayi (3008 0360 0001): "New Computer System Being Used by the Military"—ZHONGGUO XINWEN SHE headline]

[Text] Nanchang, 15 Aug (ZHONGGUO XINWEN SHE)—A set of new-type communications system, which can improve the military command's ability to deal with emergencies, has been successfully developed in Jiangxi and has been used by some military units.

The computer-controlled communications system was developed by the research personnel of the Jiangxi Provincial Military District and the Nanchang Army Academy through 3 years' work. Recently, the new system was assessed by some telecommunications engineering experts inside and outside the Army, who affirmed that the new system was an original one in China and attained the world's advanced technological level.

According to the Jiangxi Provincial Military District, the new system was put into use in the provincial Military District and the 10 subordinate military sub-districts in July. The state of operation was satisfactory. The new communications system has greatly improved the commanding capacity of the military units for dealing with emergencies.

The new system has attained the state's invention patent. The Jiangxi Provincial Military District and the Nanchang Army Academy are conducting batch production of the new communications system to meet the needs inside and outside the Army.

New Diving Suit Developed for Navy
*OW1708045189 Beijing Television Service
in Mandarin 1300 GMT 14 Aug 89*

[Video shows both a diver wearing old-type diving suit, and a diver wearing the new suit which looks like a wet suit plus a hooded mask]

[Text] A new diving suit has been provided to the Navy recently and won praise from divers. Our naval divers have always used diving suits with large helmets and air tubes since the 1940's. The naval medical research institute designed a new diving suit to meet the needs of naval rescue and maritime development at the instruction of the navigational protection department [hang bao bu] of the naval headquarters. The new diving suit, manufactured by the No 48 machinery plant [si ba ji chang] of the China State Shipbuilding Corporation, is a suit with a soft helmet and mask for 60-meter air diving under normal conditions. If slightly adapted, it can be used in great-depth saturation diving. At present, this kind of diving suit is known as an advanced air diving

suit in foreign countries. It has a dual air-supply system—air-supply from the surface or from a diving tank carried by the diver. The suit can be either dry-type or wet-type.

Economic and Agricultural

Inspection Teams To Visit Tourism Enterprises

OW1408225889 Beijing XINHUA in English 1228
GMT 14 Aug 89

[Text] Hohhot, August 14 (XINHUA)—China will organize inspection teams to check on the work of the country's tourism enterprises in an attempt to improve tourism services.

According to a recent national meeting on tourism held in this capital of the Inner Mongolia Autonomous Region, the inspection teams will oversee the enforcement of policies, laws and regulations concerning tourism and check up on the quality of services offered by tourism-oriented hotels, transportation and shipping companies providing tourism services and restaurants appointed to receive foreign tourists.

China is adopting a series of measures to revitalize the tourism industry, which was adversely affected by the national turmoil between April and June.

Meanwhile, tourist guides will have to pass qualification examinations before they start work, beginning May 1, 1990.

Urban Residents Spend More on Own Housing

HK1508051489 Beijing CHINA DAILY in English
15 Aug 89 p 1

[By staff reporter Wen Jia]

[Text] Urban dwellers in China are diverting more of their income and savings to buy or build their own housing, as living standards improve under economic reform.

According to the Ministry of Construction, these citizens spent 6.7 billion yuan to secure their own housing last year, a 58.5 percent increase over the year before.

The total floor space of the privately-owned housing completed in 1988 reached 40.34 million square metres, 30 percent of the total housing developed by the State during the same period. In 1980, the percentage was only 6.4.

Zhang Yuanduan, director of the ministry's Department of Real Estate Industry, said the State has been encouraging citizens to build their own houses despite the current austerity controls on capital construction.

"And in the meanwhile," he said, "we've been trying to maintain steady progress in housing construction."

Some urban government departments regard organizing workers and other local residents to build their own housing as an important measure to solve housing shortages and improve housing quality.

Last year newly constructed private housing in urban areas increased in 23 of the 31 provinces, municipalities and autonomous regions of the country.

And in Ningxia Hui Autonomous Region, floor space of newly-built private housing increased by five times last year.

There are now 11,481 cities and towns in China. More than 470,000 families from these areas built their own new houses last year.

However, most of the country's wage-earners don't have the money to build new houses, according to Wang Ruisheng, a division chief of the department.

The State needs to maintain a good investment percentage between urban housing construction and other forms of construction to avoid backsliding in the supply of urban houses.

The central government will also take stringent measures to prevent officials from misusing their power and building excessively spacious houses for themselves, said Zhang.

The floor space of a private urban dwelling is generally limited to 50 square metres, because the country still suffers a housing shortage, according to the department. But overseas Chinese do not necessarily observe this rule when buying houses.

It is estimated that 8 to 10 million urban Chinese families still have no more than four square metres of living space per person, the government's standard for defining housing difficulties. The government has been concentrating its housing work on overcoming their problems.

Inequality

Moreover, Zhang pointed out, there are two sorts of inequality built into the current system of housing distribution, by which State and enterprises offer housing to workers for very low rents.

One of them is caused by abuses in housing distribution at certain work units, which enable some people to get more spacious houses than others. Zhang said this problem is most easily solved by public supervision.

Another kind of inequality exists among enterprises and work units. Some units are able to build houses for their workers. But many others, especially small businesses in the service trades, can't afford to build apartments.

Further reforms of the housing system, more local and State investment and better distribution methods are necessary to eliminate these problems, Zhang said.

He said the State will tailor different policies for people with different incomes.

Article Reaffirms Socialist Economic Road
HK1408104089 Beijing JINGJI RIBAO in Chinese
29 Jul 89 p 2

[Article by Wang Jianzhong (3769 1696 0022): "How Should We Look at Today's Private Economy in China?"]

[Text] China should persist in the socialist road and public ownership and should not introduce privatization or take the capitalist road. This is a basic principle we should strictly observe. Over the last few years some people have spread the theory of "privatization." During the turmoil and rebellion a small number of people proposed practicing "privatization" in China, in an attempt to overthrow the CPC leadership and undermine the socialist People's Republic of China. Therefore it is necessary to systematically explain that China cannot take the road of privatization and to improve the people's understanding.

Under public ownership, China allows the development of private economic sectors within a designated sphere. This is also a policy that should be observed. This policy does not contradict the principle of opposing privatization. It is wrong to advocate privatization by taking advantage of the policy that allows the development of private economy. It is also incorrect to negate the private economy under the pretext of opposing privatization. Therefore there is really a need to explain views and policies concerning the private economy.

The Characteristics of China's Private Economy

According to statistics compiled by the industrial and commercial department at the end of 1988, private enterprises with eight workers or more numbered 225,000 throughout the country, and employees in these enterprises totaled 3.6 million. There are similarities between these private enterprises and those under the capitalist system and during the period before socialist transformation. But the present private enterprises also have their special features. If we do not recognize their similarities, we will make a wrong conclusion; if we do not study their special features, we will also make a wrong conclusion and be unable to formulate a correct policy.

In my opinion, China's present private economy has the following four characteristics:

First, the present private economy is a newly emerging economy that does not have any relation to the old private economy. It is inferior to the old industry and

commerce in terms of cultural quality, management experience, and technological level. Of course this situation will change as time goes by, but no substantial change can be expected within 3 to 5 years. Apart from this, because it has emerged under new conditions and will encounter many unstable factors in its development, it still bears many characteristics capitalism has during the initial stage of capitalist development, such as being avaricious, rude, simple-minded, and eager to become upstarts. A big income will quickly be consumed instead of being accumulated for reproduction. People in the private economy lack adaptability to the market economy. When a good opportunity presents itself, they become rich; when a misfortune comes, they are at their wits' end or could even go bankrupt. An example is a watermelon seeds company in Wuhu City, Anhui Province.

Second, the private economy can operate only in the fields that require small capital, low technology, and a quick turnover from investment, such as small-scale commercial undertakings, small-scale service trades, and small industries. These characteristics have made it difficult to form a powerful capacity for accumulation and technological progress. A large portion of private income has to be consumed for transitional activities in the real estate, monetary, and commercial fields or for the extravagant expenditures of a small number of people. The property relationships and operational methods of the private economy have determined that equal distribution of economic interests cannot be practiced in this economy. In other words, there is exploitation. Apart from being unable to help develop basic and hi-tech industries, the private economy is contending with the state economy for undersupplied materials. In the production field, the private economy does not have a definite target and is impacting on state plans and the market. When there are prospects for gain, people in the private economy will engage in speculation, and this is violating the interests of the state and the people. Third, many private enterprises are not willing to be called private enterprises. There are two reasons. One is that they are afraid to be branded as capitalist enterprises and the other is that they want to pay less tax. Therefore many private enterprises have linked themselves to township enterprises, neighborhood enterprises, or collective enterprises. A survey has indicated this situation. In this case, when a dispute occurs between these enterprises, law-executive departments will find it difficult to handle.

Fourth, the present private economy has developed on the basis of the individual economy. People in the private economy do not have a high educational level but are more quick-witted than those in the individual economy. They are good at management and possess some commercial knowledge. Some are very hard-working and quite skilled and have grown into entrepreneurs. They pay attention to cooperating with their employees, are concerned about their welfare, can accept their opinions, and are willing to do something good for the community.

The above characteristics suggest that the private economy cannot replace public ownership or become an ownership form that occupies a dominant position in China's economy. It can only be a supplementary part of public ownership. Its existence relies on socialist public ownership and the socialist superstructure and is restricted by the socialist economy and superstructure.

The Private Economy Should Be Correctly Treated

Practice over the last few years has proved that the private economy has played a positive role in China's economy. First, it has brought into play the initiative of people who have professional skills, operational ability, and capital. It has also helped increase production and social wealth by utilizing the country's abundant human and natural resources. Second, the private economy has helped invigorate the market and the circulation field. It can be used to develop small industrial and commercial enterprises and act as a supplement to the economy under public ownership, thus satisfying people's needs in all fields. Third, the private economy can help provide job opportunities. A state enterprise needs to invest 15,000 yuan in fixed assets to arrange a job for a worker whereas a private enterprise does not need to spend that much money for the same purpose. This helps reduce the burden on the state. Fourth, the private economy is good for state accumulation. Private enterprises pay taxes to the state annually and have thus become important financial sources of the state. Fifth, the private economy can train special entrepreneurs.

Of course the private economy has also produced negative effects in the course of its development. But the criterion to judge whether there is a need for an economic form to develop is whether this form is beneficial to the productive forces of the country. Practice over the last few years has proved that the private economy has played a positive role in developing the social productive forces. Its negative effects can be overcome. In short, it has more advantages than disadvantages.

With an explicit understanding of the role and position of the private economy, we will be able to correct its shortcomings so that it will develop in a healthy direction. For now it is necessary to solve the following problems:

The name of the private economy. Owners of private enterprises should be made to understand that the private economy is a supplementary part of the socialist economy and is of a capitalist nature. But it operates under the leadership of our socialist country and serves our socialist country. Some people want to define it as a capitalist economy and others say it falls into the category of the socialist economy. I prefer to call it the private economy, without giving it a "red cap" or labeling it as "black." This neutral term can portray the characteristics of the private economy and be accepted by everyone.

The tax rates of private enterprises. The state collects income tax from enterprises according to the nature of their ownership. A 55 percent tax rate applies to state enterprises; an eight-grade progressive tax on excessive income applies to collective enterprises, with a maximum rate of 55 percent; and a ten-grade progressive tax on excessive income applies to individual traders and private enterprises, with rates higher than the former two. But many private enterprises do not pay their income tax according to these regulations or simply evade their tax payments. The state should work out measures so that they will pay their income tax according to the relevant regulations. Inexplicit proprietary rights of private enterprises. Privatization of some collective enterprises started in 1981. On the economic relationship between the contractor and the contract dispenser, the relevant contract only provided terms for the amount of money (very little) involved in the contract, but did not stipulate who were entitled to the profits of the enterprise or who had the right to use them. There was no legal protection but a "verbal promise" from a village cadre. In the course of implementing the contract, the enterprise owner gradually gave up the rights to possess and use the enterprise's property. Following the increase in the assets value, the original assets were depreciated and scrapped and the new assets became individual property. This inexplicit relationship violated collective proprietary rights and made it difficult to judge the nature of some economic activities. Apart from affecting the stable and healthy development of the enterprise, this has caused unequal distribution of interests and is detrimental to improving the economic environment and rectifying the economic order. Efforts should be made to solve this problem as soon as possible.

The problem of providing legal protection. Encouraging and developing the private economy during the initial stage of socialism is not an expedient measure. Therefore it is necessary for the state law to confirm its role in the socialist economic structure. This will help strengthen supervision and management over the private economy. At present some private enterprises do not engage in standard business operations or have a strong mentality about law. Therefore violations of regulations have frequently occurred. Some private enterprises have even gone so far as to prolong their work time at will regardless of their employees' welfare. Detailed legal provisions should be worked out to solve this problem and guide their activities.

Article Favors Tighter Currency Controls

*HK1508120189 Beijing RENMIN RIBAO in Chinese
7 Aug 89 p 6*

[Article by Luo Jingfen (5012 4737 1164): "Control the Bank's Main Valve for Money Supply Properly"]

[Text] In 1988, an obvious inflation rate appeared in our country, and the general retail price index rose by 18.5 percent. The central authorities adopted a series of policies and measures for dealing with this situation.

Through hard work in the past few months, initial results have been achieved. As compared with last year, the margin of price increases caused by new factors will become much smaller this year. This will play a positive role in stabilizing the economy and calming people's nervous concerns. However, the current situation remains rather serious, and there are still great difficulties in our effort to make this year's inflation rate substantially lower than that of 1988.

Inflation is first reflected in the quantity of currency in circulation which exceeds the normal amount of currency in the actual production and exchange of goods in society, which causes the general rise in prices and a depreciation of currency. Where, then, does the excessive money which will cause inflation come from? As known to all, the currency is issued by banks mainly through the provision of loans and the withdrawal of savings and deposits. In our country, although the state's plan stipulates the quantity of money supply each year and the banks also have their quarterly credit plans, there is always a major gap between the actual amount of currency being supplied and the planned target. In the routine business operation of various local bank branches and sub-branches, when the amount of loans exceed the amount of deposits, they can take money from the treasury of the bank branches at the higher level or from the headquarters to cover the gap without actual limitation. So, a factor directly causing inflation is the unrestrained provision of loans. On the other hand, if residents simultaneously want to withdraw money from their savings accounts with the banks and join a panic purchase spree, this will also sharply increase the supply of cash. In 1988, about 10 billion yuan out of the over 60 billion yuan being put in circulation was caused by the abnormal decrease in deposits.

Why couldn't the bank loans in our country be properly controlled and regulated? In general, there are several reasons: First, the banks are facing excessive pressure for offering loans. In particular, some departments and localities often exert pressure on banks and force the banks to issue loans. Second, the institutions which apply for loans lack self-restraints for getting funds. They always try to maximize the available credit facilities without regard to their own capacity of servicing the loans. Third, the banks also try to increase their own business returns by enlarging the scale of loans. In addition, in order to make up for the financial deficits, governments at various levels also make use of the bank overdraft or bank loans or force the banks to purchase the government treasury bonds. Some infrastructural facilities and public works should be built with government appropriations, but they are eventually financed by the banks with the credit funds. This also results in the excessive money supply.

Therefore, inflation is, first of all, caused by the bank's failure in effectively controlling the money supply valve. Maybe, we can say that due to various internal and external factors, the bank has no sufficient ability to

regulate money supply by resisting the pressure from departments, localities, and enterprises for more credit facilities. In order to curb inflation, we should first make joint efforts to improve and strengthen the bank's functions so that they can effectively control and regulate money supply. Of course, in our country, the bank alone can never achieve this purpose no matter how much effort it makes. Fundamentally speaking, it is necessary to control the demand for funds in various departments, localities, and enterprises.

What can we do to restrain the demand for funds in various fields? One opinion holds that we can raise the interest rate for loans. Indeed, in the West, when the interest rate of loans is raised, some people who cannot afford the higher costs of the credit funds will have to restrain their needs, resulting in financial retrenchment and lowering the inflation rate. In our country, things are quite different. As the self-regulating mechanisms in the enterprises have not been built up, after the retrenchment policy is adopted and the interest rate is raised, almost all enterprises will still try hard to demand loans from the banks. Every enterprise stresses the importance of its need and can hold out many reasons to justify it. Some may say that its business returns are good; some may say that the social effects of their projects are good; some may say that they need the loans for creating more jobs and solving the employment issue; some may say that their projects are favorable to social stability; and some may say that without the loans for maintaining normal production, they will incur greater losses and not be able to repay previous loans. Therefore, we may find the following strange phenomena: Currency in circulation nationwide can be described now as excessive; but in most enterprises, there remains a shortage of funds. However, if we loosen our money supply because some enterprises are complaining about their financial difficulties, we will repeat the failure of the retrenchment policy in 1986, which was then given up halfway. Under the present circumstances, when banks reduce loans in order to curb inflation, it is very hard to avoid affecting all enterprises and institutions, including those actually in need of financial support. Although the state has formulated a priority sequence for enterprises in various industries and has adopted an inclined policy, it is still very hard to correctly ensure the credit facilities for those which deserve financial support and properly constrain the credit facilities available to those which do not deserve financial support, because there is still no quantitative limit for various loans and no explicit criteria for judging whether a loan should be given to a certain enterprise or not. Moreover, there are differences between the local and departmental interests and the state interests, and this also adds difficulties to the proper implementation of the correct credit policy. Therefore, the work of curbing inflation must still rely on the joint efforts of all parties concerned to actually reduce and constrain the demands in investment and consumption.

Regarding investment, in order to maintain the general balance, the gross investment of the whole country

should tally with the surplus part of the available major capital goods in society with that needed for the maintenance of the current production scale being deducted. After the gross amount of investment is worked out, investment quotas should then be assigned to local governments and various departments and then be assigned to grass-roots units in light of the social needs and construction speeds of various projects. Thus, the investment projects can all be brought under tight control. No investment project can be started and no additional investment can be made without the approval of the upper authorities, and those who violate discipline in this regard must be punished. At the same time, in the course of construction, grass-roots units must also ensure the balance between funds and materials. In my opinion, a control system should be established with the wide adoption of construction contracts. After a construction project is decided and its feasibility study is completed, the construction unit should work out a list of materials, machines, and equipment needed in the construction project according to the design and also work out a reasonable construction schedule. Supply contracts should be concluded then with units which supply the necessary materials and equipment. In addition, contracts should also be concluded with units which supply energy and raw materials after the project is put into operation. The legal binding force of the contracts must be guaranteed. Without signing all these contracts and guaranteeing the supply of all necessary materials and equipment, the unit concerned must not be allowed to start the construction project, and banks or other finance institutions must not offer loans, and the government must not make any financial appropriation for this project. The construction unit must not be allowed to raise funds on its own to start the construction project without authorization. Taxes should be paid before the loan is serviced. All this may be a feasible way to restrain the swelling of the capital investment.

Regarding consumption, it is also necessary to adopt some policies for curbing inflation. Admittedly, the total wages and the average take-home pay of the workers remained at a normal level in general in recent years as compared with the growth of the national income and the productivity. The problem is that their non-wage income has increased too quickly to an excessive amount. According to the estimate by the department concerned, the non-wage pay through banks and not through banks accounts for over 50 percent of the total wages. Of course, certain non-wage incomes are legitimate, such as the wages and subsidies paid to retired workers, the insurance compensations, the labor protection allowances, social relief funds, pensions for the disabled and families of the deceased, interest paid by the state banks, compensations for land requisition, and so on. These items account for about half of the people's non-wage incomes. However, we must not neglect the fact that some grass-roots leaders tried by every possible means to seek more benefit for workers in their own units. They turned the loans, service charges, collective labor protection and welfare funds, research funds, and

even administrative funds into workers' personal income in the names of commissions, sales bonuses, public relations allowances, management allowances, service allowances, consulting fees, data-collecting fees, research contract fees, and various subsidies. It seems that we should take adjustment measures against this part of non-wage income which has been continuously increasing. This part of non-wage income is effected through various complicated channels, so it is not easy to seriously examine them. As the first step, we should do the following things: First, when assessing the business results of an enterprises or institution in the future, we should not merely see its total wage payment and average wage level, but also consider the total increase in workers' income and the average take-home income level. Second, the whole incomes of all workers and self-employed workers should be made public, and the system of reporting personal taxable incomes to the government should be established so that the individual income regulation taxes can be properly collected and managed. Those who evade taxes must be severely fined, and those who refuse to pay taxes should be prosecuted as criminal offenders. Third, the income of enterprise leaders should be recorded in independent accounts. When the growth rate of workers' average income exceeds the growth rate of productivity in an enterprise, and when the profits are eroded by the increase in workers' income, the enterprise leaders must have their own incomes deducted. In the countryside, apart from levying individual income regulation taxes, it is also necessary to expand the scope of native product taxes, and the tax rate in this aspect can also be raised. Tax management over township and town enterprises should be strengthened. Illegal tax exemptions and reductions should be nullified.

As mentioned above, the withdrawal of bank savings will also affect the state of the money supply to a serious degree. At present, savings in cities and countryside total over 440 billion yuan. If the savings can be stabilized and if residents are encouraged to deposit more money with banks, then the market demand can be effectively restrained and the performance of the purchase power can be postponed. This is of great importance in mitigating the contradiction between gross supply and gross demand. So we should stabilize and encourage savings. On the one hand, we should advocate patriotic savings and advocate thrift in household economic management, thus making greater contributions to the four modernizations of the country. On the other hand, we should fix reasonable interest rates. At present, the interest rates for savings accounts and deposits remain at a low level. We should actively create conditions to raise the interest rates (including the issuance of bonuses for savings accounts) to a level slightly higher than the rate of price increase. However, it should also be pointed out here that the increase in savings and deposits can mitigate the current contradiction between the consumption demand

and the available supply of commodities, thus soothing the effect of inflation, but this cannot fundamentally solve the problem of inflation. We should soberly understand this point.

In short, to curb inflation, the key lies in the proper regulation of the general valve in the banks which are responsible for the issuance of currency. Therefore, the banks should join other departments concerned in tightly controlling the provision of loans. They should offer loans first to the industries which can increase the effective supply of goods which are in short supply now. At the same time, the banks should make great effort to attract more deposits so as to reduce the currency in circulation and to gradually bring the payment capacity in society into line with the actual need for currency in the circulation of commodities. With the assistance and support of all parties concerned, the People's Bank of China should act as a guardian in defending the stability of the value of renminbi, thus promoting the steady development of the economy.

State Farms To Update Machinery
HK1708031489 Beijing CHINA DAILY in English
17 Aug 89 p 3

[By staff reporter Wang Dongtai]

[Text] State farms, which remain an important factor in the country's agricultural economy, are now trying to update their machinery, said an official from the Ministry of Agriculture.

Even though they are producing 90 per cent of the country's rubber, 85 per cent of the milk supply to large and medium-sized cities, and 40 per cent of the soybeans for export, the state farms still find they have difficulty buying new machines.

While the individual farmers are free to choose the kind of production that could earn the most money, the state farms have to produce what is most needed by the country, although half of their machines are too old.

Most of their machines were produced in the 1950s or 1960s. Some of them were imported and some were domestic products. To update all the machines, 3 billion yuan is needed.

The only feasible way is to borrow some of the money from the government and use some of the farms' own money. The individual workers should also contribute some money, said Zhao Fangtian, an official from the State Farm Bureau of the Ministry of Agriculture.

The country now has 2,000 farms owned by the government which have altogether 4.36 million hectares of farmland. The Heilongjiang State Farm, one of the five biggest state farms, has 1.93 million hectares of land and produces wheat and soybeans.

The Xinjiang State Farm has 920,000 hectares of land. The other big state farms include one in Guangdong Province, another in Hainan Province and another in Yunnan Province.

In the rural areas across the country, Zhao said, Chinese farmers are now adopting the method of taking good care of their small pieces of farmland instead of large-scale farming using machinery.

The contract system has also been adopted by the state farms, where pieces of land were given to individual farm workers to work on under contract.

But state farms still have more machines than individual farmers and use more advanced technology.

Even though the government still encourages large-scale farming, the accumulating of farmland from small pieces into large pieces can only come naturally, said Zhao. At present, he said, concentrated efforts by individual farmers on their small pieces of land still seem to be the most efficient.

High-Tech Imports to Aid Agricultural Production
HK1708032289 Beijing CHINA DAILY in English
17 Aug 89 p 2

[By staff reporter Wu Yunhe]

[Text] The government yesterday vowed to increase imports of advanced equipment and technologies for agricultural production from abroad, aimed at fuelling the fast growth of its rural production.

In the recent 2nd Agricultural Work Conference for the Foreign Technologies and Equipment Introduction in Yantai city of Shandong Province, a senior official from the Ministry of Agriculture said that China is going to adopt a more flexible approach when working out a plan for equipment and technology imports over the next few years.

It has signed 1,900 contracts with 13 foreign countries, worth \$212 million, said Zhang Chenghua, director of foreign economic relations office under the Agricultural Ministry.

Zhang said that more attention should be paid to the importing of the technologies and equipment which can bring notable results and those imports that produced little should be cut immediately.

A major change in policy became clear at the conference, that the country will pour foreign exchange into the development of non-staple food projects aimed at increasing vegetable and meat production over the coming years, said Zhang.

These projects are characterized by small investments and quick returns, he added, citing that Beijing invested 2.65 million yuan to import fodder production lines for its suburban poultry raising factories from East European countries in 1979. Over the past 10 years the lines have turned out more than 260,000 tons of fodder and earned nearly 6 million yuan of profits.

Zhang also said that while the country keeps introducing equipment and technologies from the West, the imports from the Soviet Union and other East European countries have also been proved to be in keeping with the Chinese current situation.

Because trade between China and those countries was in the form of barter, Chinese importers welcomed these technologies and equipment, which were suitable to China's needs.

Now, China is mainly introducing agricultural technologies and equipment from the United States, Japan, West Germany, France, Britain, and the Soviet Union, Poland, and Czechoslovakia.

The equipment is mainly used in grain production, foodstuff processing, household animal and poultry raising and farming.

Bumper Fruit Harvest, Stable Prices Forecast
OW1308154989 Beijing XINHUA in English
0542 GMT 13 Aug 89

[Text] Beijing, August 13 (XINHUA)—China will have a bumper fruit harvest this year, "CHINA DAILY" reported today.

The total output of the country's five major fruits—apple, pear, orange, banana and pineapple—is expected to top 9.69 million tons this year, 16.8 percent more than last year, the newspaper quoted a forecast from fruit-growing areas as saying.

The harvest is expected to bring down or at least stabilize prices, which were raised last year.

Information from five major apple growing areas shows this year's harvest will exceed last year's by 12 percent to reach 3.59 million tons.

This is due to the fact that the climate has been good and most of young fruit trees in Shandong, Liaoning, Hebei, Henan and Shanxi Provinces have borne fruit.

This year's orange output will soar to 3.18 million tons, representing an increase of 46.7 percent from last year.

The higher prices paid for orange in the last few years has greatly stimulated the planting of orange trees, said the newspaper.

The bumper harvest is also attributed to wide adoption of updated management techniques.

Pear output in Hebei, Shandong, and Anhui Provinces is expected to reach 1.43 million tons this year.

However, banana and pineapple output in the two major growing areas, Guangdong and Guangxi, will drop by between six and 16 percent from those of last year due to plant diseases and insects.

As for preserved fruit and nuts, jujubes, walnuts and Chinese chestnuts have all increased.

The major problem in jujube production and management is low quality, which is caused by the rainy climate and insects.

Walnuts and Chinese chestnuts are mainly for export. Their quality has reached the standard of foreign trade.

Their prices will be stable and raised a little, owing to the fact that they are in demand on both domestic and world market, the newspaper added.

East Region

Shanghai Lists Workers Crimes During Upheaval *OW1608123389 Shanghai City Service in Mandarin 2200 GMT 15 Aug 89*

[From the "Morning News" program]

[Text] Public security departments in Shanghai have initially ascertained the types of counterrevolutionary activities carried out by the Shanghai Workers Autonomous Union and other illegal organizations during the recent upheavals.

At a news briefing yesterday, the Shanghai Municipal Public Security Department told the press that the Shanghai Workers Autonomous Union had a clearly defined objective ever since its establishment, namely overthrowing the people's government. It said: Thirty-six percent of the union members were ex-convicts, rebel leaders of the Cultural Revolution, and people subject to disciplinary sanctions by public security departments. For more than 20 days since mid-May this year, these people paraded many times in the city square, the waterfront, and the new railway station; gave reactionary speeches dozens of times; distributed reactionary handbills; slung mud at party and state leaders; and actively took part in such lawless acts as setting up roadblocks, blocking traffic, and beating, burning, and looting.

Workers' Federation Smashed *HK1608134889 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1140 GMT 16 Aug 89*

[“Shanghai Smashed ‘Workers Autonomous Federation’ and Other Organizations”—ZHONGGUO TONGXUN SHE headline]

[Text] Shanghai, 16 Aug (ZHONGGUO TONGXUN SHE)—Deputy Director of the Shanghai Municipal Public Security Bureau Yu Huiping said 11 illegal organizations had been smashed since 9 June when the “Shanghai Autonomous Federation of Trade Unions” was banned. Involved in these cases were 99 people, of whom 72, mostly workers, temporary workers, individual traders, and unemployed people, were detained for further interrogation or arrested; 4 voluntarily surrendered to the police; and the remaining 23 are still at large awaiting further investigation.

It has been verified by investigations conducted by the Shanghai Municipal Public Security Bureau that the first person to act in the name of the “Shanghai workers organization” on 17 May was Cai Chaojun, an unemployed person who had just been discharged from an education-through-labor camp and claimed himself to be a “grandson of Wang Zhen.” He was one of the founders of the “Shanghai Workers Voluntary Supporting Group,” which was later renamed “Shanghai Workers’ Autonomous Federation.” A few illegal organizations emerged afterward in different names, and they staged

demonstrations, delivered speeches, blocked up major crossroads, and stirred up trouble. After the “Workers’ Autonomous Federation” was banned, its backbone members attempted to found a so-called “People’s Party” and threatened to kidnap Shanghai government leaders.

Yu Huiping said the “Workers’ Autonomous Federation” was a counterrevolutionary organization involved in planned activities, and the public security organ would prosecute them for criminal offenses according to the law after investigations into their cases were completed.

Shanghai's Zhu Directs Plane Crash Aftermath *OW1608121389 Shanghai City Service in Mandarin 2200 GMT 15 Aug 89*

[From the "Morning News" program]

[Text] An AN-24 plane piloted by the crew of the Jiangxi Provincial Bureau of the Civil Aviation Administration of China [CAAC] crashed into the river in the north of the runway at 1546 [0646 GMT] on 15 August, shortly after takeoff at the Hongqiao Airport. The plane was leaving Shanghai for Nanchang. Only six of the 40 passengers and crewmembers on board survived the crash after emergency treatment. Among the deaths were six crewmembers, two Japanese, and 26 Chinese passengers. The crashed plane was already lifted from the river at midnight 15 August.

In the wake of the accident, municipal public security, Armed Police, and medical personnel, as well as CAAC staff members and local peasants, rushed to the crash site to provide first aid.

Zhu Rongji, secretary of the Shanghai Municipal CPC Committee and mayor; Wang Liping, Standing Committee member of the municipal party committee; Ni Tianzeng, vice mayor; and other leading comrades rushed to the scene to direct the rescue work.

Zhu Rongji instructed relevant departments to do everything possible to save the lives of victims. The health department should exert its utmost to treat the injured, and the CAAC should ensure normal operations.

Later on, Zhu Rongji, Wang Liping, and other leading comrades [words indistinct].

Li Zhao, deputy director of the CAAC, arrived in Shanghai with a group of people for investigation.

The cause of the crash is under investigation.

Zhu Rongji Attends Shanghai Technical Meeting
OW1608132089 Shanghai City Service in Mandarin
0900 GMT 11 Aug 89

[Text] Shanghai's industrial departments have found a new way to carry out technical transformation that uses less investment and yields quick and positive economic results. They have developed a set of management procedures for technical transformation, and have gradually trained a contingent of personnel for carrying out technical transformation, which meets the needs of operation.

An 8-day seminar to sum up Shanghai's experiences in technical transformation in the past decade closed today. The meeting disclosed that from 1979 to 1988, Shanghai invested 20.39 billion yuan in industrial technical transformation, which resulted in 14.767 billion yuan of newly added fixed assets. More than 1,400 large and medium-sized enterprises have undergone whole or partial technical transformation. One fifth of the equipment and one third of their products have reached the world standards for the 1970's.

Mayor Zhu Rongji and Vice Mayor Gu Chuanxun addressed today's meeting. After fully affirming Shanghai's achievements in industrial technical transformation, Mayor Zhu Rongji stressed that technical transformation in Shanghai should be export-oriented, intensive, and conducted as an operation of an enterprise group designed to widen knowledge.

Shanghai Holds Propaganda Work Meeting
OW1608133789 Shanghai City Service in Mandarin
0900 GMT 12 Aug 89

[From the "News" program]

[Text] The Propaganda Department of the Shanghai municipal party committee held a municipal propaganda work meeting yesterday and today to relay the guidelines of the national conference attended by propaganda department heads and to plan propaganda work in the municipality for the coming days. Some 600 people attended the municipal meeting. They were secretaries of party committees in charge of propaganda work and responsible persons of propaganda departments from various commissions, offices, districts, counties, and bureaus.

(Zeng Gang), deputy head of the Propaganda Department of the municipal party committee, relayed the guidelines of the national propaganda work conference and the speeches delivered at the conference by central leading Comrades Jiang Zemin, Li Peng, and Li Ruihuan. As for how to implement these guidelines in Shanghai, Chen Zhili, deputy secretary of the municipal party committee, and head of the Propaganda Department, set forth seven demands as follows:

1. Further efforts should be made to organize the cadres and masses in the municipalities to study in depth the guidelines of the 4th Plenary Session of the 13th CPC Central Committee and Comrade Deng Xiaoping's important speeches. Efforts should also be made to gradually clarify the confused ideas among some comrades at present so that they will be able to distinguish between right and wrong and to take a firm stand. The people's thinking should be unified on the basis of the guidelines of the 4th Plenary Session of the 13th CPC Central Committee.

2. It is imperative to draw lessons from the recent turmoil and fully understand the importance and urgency of strengthening ideological and political work. In this regard, Chen Zhili stressed: It is truly imperative to gear up the education of cadres in Marxist theories and to go deep into grassroots units to do propaganda and educational work on the basic political viewpoint among the masses of workers and peasants. Successful propaganda work needs a particular work contingent, a network, and smooth channels. Meanwhile, ceaseless efforts should be made to study how to gear up ideological work during the new period to meet the needs of reform and opening to the outside world.

3. Real efforts should be made to develop education on the need to oppose bourgeois liberalization and uphold the four cardinal principles. According to Chen Zhili, the Propaganda Department of the municipal party committee will soon sponsor separate forums for the journalist, publishing, literary and art, and theorist circles to analyze the manifestations of bourgeois liberalization in the ideological field and review and sum up lessons from the failure to completely oppose liberalization during the past few years. He stressed: To oppose bourgeois liberalization, first of all, the leadership should have a deep understanding of the importance of this struggle. Second, we should keep a firm hold on the propaganda and public opinion fronts.

4. Real efforts should be made to consolidate the journalist and publishing fronts and step up control over books, periodicals, and cultural markets.

5. Propaganda work in connection with the 40th anniversary of the founding of the People's Republic should be lively, dynamic, rich, and varied so that people will like it. Departments concerned should work in concert and with one mind to make the 1989 Shanghai Art Festival a real success. The Propaganda Department of the municipal party committee should give all-out support and encouragement to the creation and performance of good theatrical works and programs.

6. External propaganda work should be done well.

7. More efforts should be devoted to building up the propaganda work contingent.

(Zhong Xinghan), deputy head of the Propaganda Department of the municipal party committee, addressed the meeting. He analyzed previous work done in the municipality to study the guidelines of the 4th Plenary Session of the 13th CPC Central Committee and put forth demands for furthering such study.

The meetings during the 2 days were presided over respectively by (Liu Ji) and (Xu Jingxi), both deputy heads of the Propaganda Department of the municipal party committee.

Central-South Region

Guangdong Confirms Arrest of Macao Students HK1708035789 Hong Kong MING PAO in Chinese 17 Aug 89 p 1

[“Special Dispatch” by staff reporter: “Several Hundred Ministry of State Security Personnel Arrive in Guangzhou to Block the Secret Passageway Through Which Democracy Activists Flee the Country”]

[Text] Guangzhou—The Guangzhou City Public Security Bureau verified yesterday that three Macao students studying at Jinan University had been detained for questioning on a charge of “involvement in helping illegal elements to flee the country.” A huge special team composed of personnel from the Ministry of State Security has arrived in Guangzhou to investigate the “secret passageway” through which democracy activists fled the country.

Yesterday the Guangzhou City Public Security Bureau informed Jinan University of the arrests of the three Macao students but did not reveal when and where the arrests were made.

So far there has been no confirmation about the arrests of 12 Hong Kong students in Guangzhou.

The three Macao students are Chen Tse-wei, 29; Chin Kuo-tung, 21; and Liang Tsao-hua, 23. They are studying at Jinan University of Guangzhou, the first in the Chinese language department, the second in the medical department, and the third in the international monetary department. These three students enrolled in the university in 1986.

A responsible person from Jinan University told our reporter that the university authorities were not well informed about the case because it had occurred off the campus and therefore they did not know what to do yet. The university authorities will inquire of the relevant department about details of the case the responsible person remarked, adding that there is nothing the university can do if the three students have violated state law.

The responsible person said that the university had informed the students’ parents of their situation through the Macao Chinese Education Association. The responsible person disclosed that Jinan University had so far not obtained any information about the arrests of 12 Hong Kong students.

This reporter telephoned the Guangdong Provincial Public Security Department yesterday to inquire about the details but to no avail.

The news of the Ministry of State Security and public security personnel arresting democracy activists in Guangzhou widespread among the citizens. An informed source revealed that because prodemocracy leaders Yan Jiaqi and Wuer Kaixi fled the country via Guangdong, the Beijing authorities were infuriated and expressed dissatisfaction over the efficiency of Guangdong public security organs. Therefore a huge special team comprising several hundred personnel from the Ministry of State Security recently arrived in Guangzhou to investigate the “secret passageway” through which democracy activists fled the country.

Reports say that at 0100 every day state security personnel check the name lists in large and small hotels, restaurants, inns, and university reception houses and enter rooms to inspect when they find something suspicious.

Another source disclosed that many Guangdong public security personnel originally remained unconvinced about the 4 June suppression and sympathized with prodemocracy leaders on the wanted list. They cannot help now, even if they were willing so to do, because the huge special team has arrived to “supervise their operations.”

Hubei Secretary Meets Beijing Report Group HK1708044389 Wuhan Hubei Provincial Service in Mandarin 1130 GMT 16 Aug 89

[Excerpt] This morning the fourth sub-group of the delegation of heroes and models to give reports on heroic deeds in the struggle to quell the counterrevolutionary rebellion in Beijing held its first reporting meeting at Hongshan Auditorium, Wuchang. Before the meeting leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial People’s Congress, the provincial government, the Chinese People’s Political Consultative Conference provincial committee, the provincial Discipline Inspection Commission, and the provincial Military District, including Guan Guangfu, Guo Zhenqian, Zhao Fulin, Qian Yunlu, Ding Fengying, Zhang Xueqi, [name indistinct], and Huang Zhizhen, cordially met with all the members of the reporting sub-group.

On behalf of the provincial party committee, the provincial government, the provincial Military District, and the 50 million people and 2 million party members of

Hubei Province, secretary of the provincial party committee Guan Guangfu fist extended a warm welcome to the reporting sub-group. He said: During the turmoil and counterrevolutionary rebellion in Beijing and at the moment when the party and the People's Republic were facing a severe test, the glorious PLA steadfastly submitted to the party's command, and made outstanding contributions to safeguarding the party's leadership and defending the Republic. In the test of blood and fire and in the life-and-death struggle, the People's Army proved once again that it lives up to its reputation as an Army of justice and might.

Guan Guangfu noted: The sub-group's visit to Hubei will give a great impetus to this province in its efforts to implement the spirit of the 4th Plenary Session of the 13th CPC Central Committee and to accomplish the four practical tasks, and it will also help Hubei people understand the truth of the struggle to quell the counterrevolutionary rebellion. Guan urged all the people and the large number of party members in Hubei Province to learn from heroes who made contributions to quelling the counterrevolutionary rebellion; who place the interests of the party and the people before everything and fear no death in the battle, showing a great spirit of devotion; who take a firm stand on major issues of principle and always keep in pace with the CPC central authorities; and who are loyal to the party, the people, and the socialist republic, displaying a high political integrity and a strong sense of discipline.

Guan Guangfu said: During the struggle to check turmoil and to quell the counterrevolutionary rebellion in Beijing, the glorious tradition of intimate ties between the Army and the government and between the Army and the people has been further enhanced. Comrade Mao Zedong taught us: Without a People's Army, the people have nothing. This serves as an important guiding principle for us both in wartime or peace time.

Comrade Guan Guangfu expressed his confidence that the lofty ideas and heroic deeds of the members of the reporting sub-group would certainly inspire people in this province.

Senior Colonel (Li Tengdai), head of the fourth reporting sub-group and deputy political commissar of the Beijing unit of the Armed Police Forces, thanked the Hubei provincial party committee and government for their welcome, and introduced members of the reporting sub-group to the participants in the reporting meeting.

The reporting meeting was presided over by Qian Yunlu, deputy secretary of the provincial party committee. Other leading comrades who were seated on the rostrum included Zhang Xueqi, Shi Chuan, (Li Youwei), Hu Hengshan, Ma Liang, (Wang Chengwen), and (Wang Zhiming). [passage omitted]

HUNAN RIBAO Celebrates 40th Anniversary
*HK1708011189 Changsha Hunan Provincial Service
in Mandarin 2200 GMT 16 Aug 89*

[Excerpts] The HUNAN RIBAO held a grand gathering on 15th August to mark its 40th anniversary. Present were responsible persons of the provincial party committee, Advisory Commission, Discipline Inspection Commission, People's Congress Standing Committee, government, and Chinese People's Political Consultative Conference Xiong Qingquan, Liu Zheng, Liu Fusheng, Chen Bangzhu, Sun Wensheng, Dong Zhiwen, (Xia Shanzong), Shen Ruiping, and Yang Minzhi.

Provincial party committee secretary Xiong Qingquan made an important speech on upholding the party spirit principle of the party press, ensuring correct guidance for public opinion, and insisting on unifying party spirit with popular nature. He said that at present there is an erroneous theory that apparently holds that only the press, not the party, can represent the people, and sets the party spirit of the press against its popular nature. This means having popular nature override party spirit. This in fact means that the press should make rival claims as an equal with the party and that party spirit should be replaced by popular nature. This erroneous theory that popular nature is above party spirit became the main theoretical basis of the bourgeois liberalization trend among journalists.

Should the party press and journalists obey the party and adhere to the principle of party spirit? Who in fact represents the people? At present this struggle has delivered a merciless criticism of this theory and reached an irrefutable conclusion. The practice of this struggle has told us that only by adhering to the principle of party spirit can we ensure correct guidance for public opinion and unite the masses to strive to attain the common goals of endeavor. [passage omitted]

On behalf of the newspaper staff and workers, (Liang Xinchun), chief editor and publisher of HUNAN RIBAO, thanked all sectors of society who have cared for and supported the work of the party press over many years. [passage omitted]

Southwest Region

Tibet Secretary Views Corruption Circular
*HK1708074389 Lhasa Tibet Regional Service
in Mandarin 1330 GMT 16 Aug 89*

[Text] On the evening of 15 August, in the conference room of the Standing Committee of the regional party committee, cadres with party affiliation at the regional departmental level of Tibet Region watched a television program concerning the circular of the Supreme People's Court and the Supreme People's Procuratorate that ordered economic criminal offenders involved in cases of corruption, bribery, speculation, and profiteering to voluntarily surrender to the police by a fixed date. All the

cadres watching the television program pledged whole-hearted support for the circular of the Supreme People's Court and the Supreme People's Procuratorate, and agreed that it is appropriate to use the policy as a deterrent against all kinds of economic criminal offenders and also necessary to resolutely fight corruption and to thoroughly investigate and seriously handle cases of all kinds of economic crimes.

Secretary of the regional party committee Hu Jintao pointed out: The CPC Central Committee and the State Council recently adopted a series of measures to resolutely fight corruption and to promote the development of clean and honest government. These measures fully conform to the will of the party and the people and are supported by the whole party and the broad masses. We must keep in step with the CPC Central Committee and the State Council, which have set a good example for us.

Comrade Hu Jintao revealed that the regional party committee and government had considered the instruction of the CPC Central Committee and the State Council on the seven practical tasks to be done in the near future and, in this connection, had formulated eight rules in light of the actual circumstances in Tibet. What we in Tibet have to do is work in earnest, set good examples for others, and take the lead in implementing every rule in a down-to-earth manner, he said. That is what the vast number of cadres and the masses expect of us, and we for our part are determined to keep our promise.

Hu Jintao said: For the moment we must earnestly publicize the circular of the Supreme People's Court and the Supreme People's Procuratorate and do a better job in using the policy and propaganda as a deterrent against the criminal. At the same time, it is necessary to speed up investigation into all the cases of economic crimes that have already been placed on file and to take strong action against those involved in these cases.

Investment Rises in Tibet Capital Construction *OW1708083189 Beijing XINHUA in English 0032 GMT 17 Aug 89*

[Text] Lhasa, August 17 (XINHUA)—The central government will invest 450 million yuan in 15 key capital construction projects in the Tibet Autonomous Region this year, a 57.4 percent increase over the same period last year, though the country is pursuing a nationwide austerity policy.

The preferential policy toward Tibet aims at speeding up economic development of the region.

The investment will be used in construction of transport facilities, power stations and waterworks, and renovation of existing buildings in Lhasa, the regional capital.

According to an expansion plan, the region will build an airport and two highways, expand a thermal power station and repair old residential quarters.

All the projects are expected to be completed by 1990.

So far the local government has built a highway network with a total length of 21,000 km, 200 enterprises equipped with modern equipment and eight satellite cities.

In addition, a complete educational system catering to the Tibetan minority nationality people is taking shape.

Yunnan Province Seeks To Boost Tourism *HK1708025489 Beijing CHINA DAILY in English 17 Aug 89 p 4*

[By Zhang Huimin]

[Text] Starting from scratch, tourism in Yunnan Province has made progress by leaps and bounds in the last decade. Only 1,284 foreign tourists went there in 1978, the year when the provincial tourism bureau was established. The figure rose to 121,300 in 1988—an average annual increase of 25.4 percent, said deputy bureau chief Miao Kuihe in an interview.

In the provincial capital of Kunming alone, there are 11 posh hotels, with accommodations chiefly for foreign tourists, and nine travel agencies that provide services for them. There are also 10 arts and crafts stores in Kunming with a variety of articles with exotic flavours, including national costumes of the minorities.

In such a short time, tourism has asserted its role in socio-economic development of the province.

In Kunming, tourism has provided jobs for 12,000 people. In the whole province 25,000 people work in tourist departments.

Tourism has helped to promote the catering trade, transportation service and commerce of Kunming. It has helped to accelerate the city construction and its embellishment. Moreover, contacts with tourists from afar has widened the horizons of the locals, deputy director of the municipal tourism bureau Peng Shaoxi said.

It has become a consensus of local authorities that tourism is a vanguard industry in opening the province to the outside world; it is of strategic importance in economic development, and it represents the orientation of urban construction. In 1988, the provincial government listed tourism as the sixth industry in importance in economic development, said deputy bureau chief Miao.

Now, 29 of Yunnan's municipalities and counties are made open to foreigners, a fact favourable to tourism.

Because of Yunnan's abundant tourist resources, Miao envisions still brighter prospects for the tourism of the province. It is estimated that by 1995, Yunnan will receive about 200,000 tourists annually and by 2000, their number will rise to 320,000. Hotels by then should have accommodation for 10,000 people.

To meet the needs of tourism, appropriate measures are being taken in various aspects, Miao said.

In April 1988, a centre was set up providing short-term professional training for three to five months for employees in tourist departments. All the big hotels have their own training section, aiming at improved service. Seven young employees have been sent to the United States to learn management expertise. Dozens of chefs are in Hong Kong to learn various styles of cuisine. And some young employees are sent to college to learn foreign languages as well as professional skills in tourism, Miao said.

According to the publicity chief of the provincial tourism bureau, Chen Keqin, on the strength of its distinctive geographic and ethnic features, Yunnan has the following advantages for the development of tourism:

A good number of scenic wonders. They are roughly located in three areas.

First, those in the area centering around Kunming, of which the Stone Forest is one. The spectacular, jagged rocky formations that rear their heads to the skies are winning world fame. There are also karst caves in this area.

Second, those in west Yunnan with the two ancient cities Dali and Lijiang. The Tiger-Leaping Gorge of the Jinsha River deserves a mention. It is 16 kilometres long. The narrowest section of it is only about 30 metres wide, which, legend claims, tigers once leapt across. From the surface of the river to the top of the precipitous mountains on the two sides, the height is 3,900 metres. Within the 16-kilometre length of the gorge, there are 18 risky rapids and in so short a distance, the drop of the water is 210 metres, averaging 14 metres for each kilometre. The gorge resounds with the roaring and dashing of huge waves of the racing water.

Third, Xishuangbanna Prefecture in south Yunnan. With its lush tropical forests, the area has many fascinating features, in both natural scenery and cultural life.

Genial climate, with all the year mild and springlike. The average annual temperature is 19.3 degrees Centigrade. As a result, the province is a "kingdom of fauna and flora," with a variety of rare animals and birds, such as elephants, snub-nosed monkeys and peacocks, and tens of thousands of varieties of plants.

Rich local or special products. They include fine tobacco, tea, ham, medicinal herbs, marble handicraft articles and the Yunnan baiyao, a medicine for haemorrhaging and wounds.

Folk customs. Inhabited by 24 minorities, Yunnan has many national folk customs, festivals, traditions, dances, costumes and houses that are of great interest. For instance, the water splashing festival in April, with dragon boat regatta, of the Dai people in Xishuangbanna and the torch festival in July, of a few minorities including the Yis, Bais and Sanis, are two of the most famous annual celebrations.

With such a variety of things to see in Yunnan, tourist parties with special purposes have been organized. For instance, there are parties to see the azalea blooms of all types in various places; mountain climbing; the folk customs of the minorities; or walking tours through scenic routes.

However, according to the deputy director of Kunming tourism bureau, Peng Shaoxi, there are hindrances to Yunnan's tourism.

Woefully inadequate transportation facilities. Foreign tourists often find it hard to get into Yunnan, while those who are leaving are often stranded at Kunming's airport for lack of flights. It often takes 10 days to finish a trip in Xishuangbanna, too long for most tourists.

North Region

Beijing's Chen on Marking National Day
*OW1708091489 Beijing Domestic Service
in Mandarin 2130 GMT 16 Aug 89*

[From the "News and Press Review" program]

[Text] At a meeting on 16 August to mobilize households in the capital to promote spiritual civilization and to greet the National Day and the Asian Games, Chen Xitong, state councillor and mayor of Beijing municipality, pointed out: Currently, Beijing's central task is to greet the 40th founding anniversary of new China. We should arouse the patriotic enthusiasm of the vast numbers of cadres and masses and enhance their national self-confidence and sense of national pride. We should arouse ourselves to score greater achievements in greeting the 40th anniversary of the founding of the People's Republic of China.

It has been learned that no military review or parade will be held on this year's National Day. Major efforts will be made to organize mass celebration activities at the grassroots level. On 1 October, celebration activities will be held in some large parks in the capital. Other parks will be decorated and opened to the public free of charge. Sports performances will be held in large stadiums and gymnasiums, and various programs will be staged in theaters and cinemas. Fireworks displays will be held in

Tiananmen Square and some other localities. A flower terrace will also be arranged in Tiananmen Square, and it will be open to the public in an organized manner.

Chen Xitong stressed: We should ceremoniously and enthusiastically celebrate the 40th founding anniversary of new China; courageously publicize our determination to take the socialist path under CPC leadership and the great achievements made by various fronts; and enhance everyone's self-consciousness in upholding the four cardinal principles and in promoting our socialist modernization drive.

There are still 400 days before the opening of the 11th Asian Games. Zhang Baifa, vice chairman of the 11th Asian Games Organizing Committee and vice mayor of Beijing Municipality, made a mobilization speech at the meeting. He called on all residents of the capital to display a patriotic spirit, enhance their national self-confidence and sense of national pride, and regard successfully sponsoring the 11th Asian Games as every Beijing resident's unshirkable and honorable duty. Zhang Baifa pointed out: Holding such a ceremonious international sports meet in Beijing after quelling the counterrevolutionary rebellion will draw special attention from around the world and has particularly great significance. Residents of Beijing must not let the Asian people down; they must properly carry out the tasks entrusted to them by the party Central Committee and the State Council; they should work hand-in-hand to make good material preparations for the games and to promote spiritual civilization; and they should do everything possible to make the games a memorable event and a great success.

Beijing Joint Construction Ventures Proceed
*HK1708023189 Beijing ZHONGGUO XINWEN SHE
in Chinese 0620 GMT 14 Aug 89*

[“Construction Projects of Sino-Foreign Joint Ventures in Beijing Proceeds in Accordance with Contracts”—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 14 Aug (ZHONGGUO XINWEN SHE)—As reported by the Beijing Municipal Construction Commission, 45 products of Sino-foreign joint ventures under construction in Beijing were not affected by the turmoil and revolt between April and June. The construction of these projects has continued to strictly follow the schedules stipulated by the relevant contracts, and they will be completed on time.

The construction projects involving foreign investment will have a total floor space of 2.52 million square meters. These large-scale and high-standard projects include hotels, office buildings, residential buildings, restaurants, cultural and art centers, and news centers. Of these projects, 25 involve Hong Kong investment, 13 involve Japanese investment, and others involve investment from the United States, Switzerland, Denmark, Norway, Sweden, Malaysia, and West Germany.

These projects include two of the three tallest skyscrapers in Beijing. They are Jingguang Building which will be completed in the second half of this year and the International Trade Center which is now being decorated inside. Jingguang Building has 51 stories and is 208 meters tall, and it will be the tallest building in Beijing.

In the period of turmoil and revolt, the construction industry in Beijing suffered direct economic losses of 5.3 million yuan. However, the projects of the Sino-foreign joint ventures were not affected. The municipal construction commission particularly held a meeting to coordinate the progress of these projects. The authorities actively created favorable conditions to ensure the construction speed of these projects, thus safeguarding the state's reputation.

Four of the 45 projects are contracted to foreign construction companies. They include the International Trade Center which is contracted to SAE, a French company; Jingguang Building which is contracted to Kumagai, a Japanese company; the International Art Center and the International Club, which are separately contracted to the joint ventures that the Chinese companies formed with Japan's Taisei and Sumimoto. Now, most of the foreign personnel of these companies have returned to Beijing.

Northeast Region

Sun Weiben Meets Outstanding Grain Sellers
SK1608044789 Harbin Heilongjiang Provincial Service in Mandarin 2100 GMT 14 Aug 89

[Excerpts] On the afternoon of 14 August, leaders of the provincial party committee and the provincial government, including Sun Weiben, Shao Qihui, and Chen Yunlin and other comrades, went to Harbin (Yinhe) Guesthouse to cordially visit the representatives of some counties, cities, and agricultural farms that were advanced in selling grains and representatives of models who did a good job in selling grain to the state. These representatives and models were attending the provincial grain work conference. The leaders encouraged them to do a good job in grain procurement and to make greater contributions to the country's four modernizations. [passage omitted]

Shao Qihui, Ma Guoliang, Du Xianzhong, and Dai Moan were also present at the meeting.

Jilin's He Zhukang Speaks at Propaganda Meeting

Stresses 'Five Senses'
SK1608035989 Changchun Jilin Provincial Service in Mandarin 0930 GMT 10 Aug 89 p 1

[Excerpts] The provincial propaganda work conference, which was sponsored by the provincial party committee, held a meeting on the morning of 10 August. Making important speeches at this meeting were He Zhukang,

secretary of the provincial party committee; Wang Zhongyu, deputy secretary of the provincial party committee and provincial governor, and Gu Changchun, deputy secretary of the provincial party committee. They commonly stressed that the entire party had to attach extremely high importance to and exert great efforts in strengthening the propaganda and ideological work, successfully conduct this work by closely focusing on the four major tasks defined by the 4th plenary session of the 13th party Central Committee, actually oppose bourgeois liberalization, and really let the socialist ideas occupy the ideological front.

Comrade He Zhukang pointed out in his speech: What has happened in reform and opening up since the 3d plenary session of the 11th party Central Committee, and in particular the current severe rebellion which developed from a student unrest into a turmoil in Beijing have given us a profound enlightenment and lesson. That is, under the new historical condition, all comrades of the party must attach high importance to strengthening propaganda and ideological work, and must conscientiously summarize the serious consequences from neglecting propaganda and ideological work. He said: The occurrence of such phenomena as pursuing immediate benefits at the expense of lofty ideals and stressing personal interests to the neglect of the overall interests of the state and nationalities, the growth in the idea of worshiping and having blind faith in things that are foreign while looking down on things made at home, the occurrence of various superficial, vulgar, corrosive, degenerative practices, and the reoccurrence of various ugly phenomena, which had long been stamped out in the days right after the founding of the PRC, over the past few years all directly result from the negligence in party building, in the building of spiritual civilization, and in ideological work, and from the erroneous direction of propaganda and the media work. Therefore, under the new situation, propaganda and ideological work must be strengthened rather than weakened.

In his speech, Comrade He Zhukang also pointed out: At present, the province's propaganda and ideological work should especially be focused on fostering the following five senses: 1) the sense of the party and party leadership; 2) the sense of wholeheartedly serving the people; 3) the sense of legality and discipline; 4) the sense of arduous struggle and frugality; and 5) the sense of pride, responsibility, and honor owned by collectivism.

Comrade He Zhukang also demanded: Party committees at all levels should strengthen leadership over propaganda and ideological work, firmly keep informed on the situation of the ideological field, list propaganda and ideological work as an important item on their daily agenda, actually strengthen leadership over the ideological and political work at the grassroots level, truly foster a vivid social force to grasp propaganda and ideological work, and, at the same time, grasp well the theoretical study of Marxism-Leninism-Mao Zedong Thought among leading cadres at all levels.

Comrade Wang Zhongyu stressed in his speech: Propaganda and ideological work is not only the work of party committees but also the work of the entire party and the whole society. Governments at all levels, including all departments under governments, should all support propaganda work, and should depend on propaganda and ideological work to do government work well. Governments at all levels, all grassroots units, and all enterprises should positively provide opportunities for training and tempering propaganda and political work cadres; should attach importance and give vigorous support to strengthening the ranks of political work cadres; should give positive coordination to assessing and deciding professional titles of political work cadres; and should provide funds and equipment necessary for conducting propaganda work.

In his speech, Comrade Wang Zhongyu also stressed: Propaganda and ideological work should be conducted in a penetrating and solid manner. In doing this work, we should firmly grasp its comprehensive and continuous nature, and have a long-term plan. In particular, we should strengthen the propaganda over economic work. Through constantly improving the quality and function of propaganda and ideological work, we should give still better play to the role of ideological and political work in building the two civilizations.

Comrade Gu Changchun said in his speech: Owing to the mistakes committed by Comrade Zhao Ziyang, and owing to the invasion of bourgeois liberalization, the party work as a whole has been seriously weakened over the past few years. Although party committees at all levels as well as all departments on the propaganda and ideological front have always done a lot of conscientious work in line with the correct principles of the party under an extremely difficult situation, recently they have met with a serious attack in the fields of ideology and organization and with the situation in which their ranks have been disorganized, political discipline has been lost, and ideology has been in a mess. The 4th plenary session of the 13th party Central Committee has solved Comrade Zhao Ziyang's problem in the field of organization. This has wiped out the biggest obstacle to the strengthening of the party's propaganda work. Therefore, party committees at all levels, the party's propaganda departments, leaders at all levels on the propaganda and ideological front, and the broad masses of cadres should clearly understand the current situation, build up their courage, and take advantage of this good opportunity to enhance their sense of mission and urgency in an effort to make the party's propaganda work a success. [passage omitted]

Participating in the meeting held on 10 August were responsible comrades of the provincial party committee, the provincial Advisory Commission, the provincial People's Congress, the provincial government, the provincial Military District, and other pertinent departments, including Zhang Fengqi, Huo Mingguang, Liu Yunzhao, Du Qinglin, Yu Zonghuan, Gao Yan, and Ren

Junjie. Hu Houjun, director of the Propaganda Department of the provincial party committee, presided over this meeting. The meeting attendance also included the comrades participating in the provincial propaganda work conference, and responsible cadres of the propaganda, cultural, and educational departments directly under the provincial authorities, more than 1,000 people.

Propaganda Conference Concludes
*SK1408023589 Changchun Jilin Provincial Service
in Mandarin 2100 GMT 11 Aug 89*

[Text] The provincial propaganda work conference held by the Jilin Provincial CPC Committee concluded in Changchun on the afternoon of 11 August. The conference emphasized that the guidelines of the 4th plenary session of the 13th party Central Committee and the recent several important speeches of Comrade Deng Xiaoping are the guiding principles for the province's propaganda and ideological work.

In the past few days, comrades attending the conference conscientiously studied and discussed the guidelines of the national conference of propaganda directors, and the CPC Central Committee's circular on strengthening propaganda and ideological work, heard the speeches of He Zhukang, Wang Zhongyu, Gu Changchun, and other leading comrades, and kept firmly in mind the reality in our province's propaganda and ideological work to calmly consider the past and the future. They universally felt that the provincial propaganda work conference was a timely and successful one. Through study and discussions, they achieved a clearer understanding of the important position and role of propaganda and ideological work and the guiding principles and major tasks of the work. They further clarified the situation and the orientation and enhanced their confidence.

The conference pointed out: At present, the major tasks for the province's propaganda and ideological work are to adopt realistic and effective measures to actively publicize the guidelines of the fourth plenary session of the party Central Committee and Comrade Deng Xiaoping's important speeches and to unify the thinking of the entire party and the people throughout the country. It is imperative to conduct intensive education on upholding the four cardinal principles and the two basic points of reform and opening up. An urgent task for the present is to radically correct the ideological and theoretical issues that were confused by bourgeois liberalization in the past few years to provide a good environment for the media and a scientific theoretical foundation for reform, opening up, the endeavor of improvement and rectification, economic construction, party building, the building of the spiritual civilization, and the improvement of democracy and the legal system. All propaganda departments should seize the opportunity and make use of the situation to advance and accomplish a few substantial things to strengthen ideological and political work.

First, they should conduct in-depth study, propaganda, and education on further stabilizing the situation and opposing bourgeois liberalization.

Second, they should resolutely and properly rectify the propaganda and mass media circles. This is a very urgent and very arduous task for the propaganda and ideological fronts. Press and publication units, social science research organs, and literary and art academic organizations should earnestly conduct extensive education on upholding the four cardinal principles and opposing bourgeois liberalization in line with the actual conditions. Through patient and meticulous work, they should raise the political awareness of cadres, correct unhealthy trends, and conscientiously strengthen the press and publication, theoretical, literary and art, and other propaganda fronts. Propaganda departments at various levels should also coordinate with the departments managing press and publication to conscientiously clean up the cultural market, rectify newspapers, journals, publishing houses, and the societies and associations subordinate to social science, literary and art, press and other circles.

Third, they should strengthen propaganda through media, launch in-depth [words indistinct] concerning building of the spiritual civilization, and strengthen ideological and political work. At present, they should emphasize the spirit of serving the people wholeheartedly, the spirit of plain living, hard struggle, industriousness and thrift, and the spirit of making progress actively with all-out efforts, and working and making sacrifice selflessly, and strive to conduct the education on patriotism, socialism, self-reliance, plain living and hard struggle, and observance of law and discipline. They should pay particular attention to publicizing punishment for corruption and honesty in official duty performance. Through large-scale publicity to the good party members, cadres, and units that maintain honesty in their official duties, plain living, and hard struggle, and public handling of law and discipline breaches, they should enable the people to understand the firm principles of the party and the government to oppose corruption and their serious attitude in correcting mistakes. From now on, they should also conscientiously carry out the propaganda and reports marking the 40th anniversary of the founding of the country and the celebration activities to boost the people's morale and win a greater success.

The conference also stressed: It is necessary to attach great importance to and strengthen the propaganda directed toward foreign countries to resolutely safeguard the dignity of socialist China. We should give wide publicity to our basic line and basic (?principles) toward our and other countries and explain with facts that our country wholeheartedly and consistently welcomes the extensive cooperation with other countries on the basis of equality and mutual benefit.

The conference stressed: Party committees at various levels should conscientiously strengthen leadership over propaganda and ideological work. They must overcome the phenomenon in which economic work is carried out to the neglect of ideological and political work. Party committee secretaries should attend to propaganda and ideological work personally and on a regular basis. Comrades of propaganda and ideological departments at various levels should take the initiative in [words indistinct] the leadership of party committees and successfully carry out propaganda and ideological work.

During the conference, He Zhukang, Gu Changchun and other leading comrades held discussions with participating secretaries and propaganda department directors of some prefectoral, city, and autonomous prefectural party committees to extensively hear their opinions and suggestions on theoretical study concerning propaganda, building of the spiritual civilization, ideological and political work, and improvement of the contingent of political workers. They encouraged the comrades engaged in propaganda and ideological work to cherish ardent love for and value the socialist cause of [words indistinct] and live up to the expectations of the party and the people.

Hu Houjun, director of the Propaganda Department of the provincial party committee, delivered a speech (?summarizing) the conference. He urged all localities and all departments to implement the guidelines of this conference in a conscientious, comprehensive and down-to-earth manner and make the province's propaganda and ideological work take on a new look as soon as possible.

Jilin Secretary Addresses Women's Congress
*SK1408015789 Changchun Jilin Provincial Service
in Mandarin 2100 GMT 12 Aug 89*

[Excerpts] On the morning of 12 August, outstanding women representatives of various nationalities from various circles of the province gathered at the newly decorated auditorium of the provincial guesthouse to ceremoniously hold the seventh Jilin provincial women's congress. At 0900, (Xu Xiujie), vice chairman of the executive committee of the provincial women's federation, announced the congress open amid magnificent playing of the national anthem. Dai Huanmei, vice chairman of the executive committee of the provincial women's federation, gave an opening speech at the beginning of the congress. [passage omitted]

Attending the congress were leaders of the provincial party committee, Advisory Commission, People's Congress, government, Committee of the Chinese People's Political Consultative Conference, Discipline Inspection Commission, and Military District, including He Zhukang, Wang Zhongyu, Zhang Fengqi, Huo Mingguo, Liu Yunzhao, Du Qinglin, Gu Changchun, Chen Xingyin, Li Deming, Gao Yan, Gao Wen and Luo

Yuejia, and veteran former provincial-level leaders, including Li Diping, Yu Ke, Song Jiehan, Liu Jingzhi, Shi Linqi, and Dong Su. [passage omitted]

Wang Zhenying, chairman of the executive committee of the provincial women's federation, gave a work report. [passage omitted]

Wang Zhenying reviewed the achievements in women's work of our province scored during the past 5 years, and pointed out the tasks for the women's work for the next 5 years. She said: In the next 5 years, the general task for the women's movement of our province is that under the leadership of the provincial party committee, women of various nationalities from various circles should unite as one, uphold the basic line consisting of one central task and two basic points, carry forward the spirit of autonomy, comprehensively improve their quality, plunge themselves into reform and construction, and strive to accomplish the grand cause of developing Jilin and further facilitate the progress of women's liberation movement. [passage omitted]

Amid warm applause, He Zhukang, secretary of the provincial party committee, delivered a speech. [passage omitted]

He Zhukang analyzed our province's political and economic situations and pointed out: The current task of prime importance is to conscientiously study and implement the guidelines of the 4th plenary session of the 13th party Central Committee, and achieve unity in thinking and politics. Women from various circles should actively plunge themselves into the endeavor of improvement and rectification, and give play to the role of women in reform and construction.

He urged organizations of women's federations at various levels throughout the province to exert conscientious efforts to improve themselves, and carry out their work more effectively in the future.

He pointed out: Attaching importance to and making a success of women's work is a job decided by the nature and tasks of our party. Party organizations at various levels should profoundly understand the importance of women's work, and show concern for the growth of women. The various circles of society should also actively support the work of women's federations and women cadres, and carry out something substantial for the development of the woman's movement of our province.

Chen Tao, member of the Secretariat of the All-China Women's Federation, also attended and addressed the congress.

Women's Congress Ends

*SK1608033389 Changchun Jilin Provincial Service
in Mandarin 0930 GMT 15 Aug 89*

[Text] The 4-day seventh women's congress of Jilin Province ended today at the auditorium of the provincial guesthouse after satisfactorily accomplishing the scheduled tasks.

During the congress, representatives conscientiously examined, discussed, and approved the work report made by Wang Zhenying on behalf of the sixth executive committee of the provincial women's federation. Representatives unanimously held that this report has reviewed the past and considered the future under the guidance of the spirit of the 4th Plenary Session of the 13th CPC Central Committee and Comrade Deng Xiaoping's important speech; has made a concrete analysis of the women's movement of the province; and has set forth the tasks for the province's women's movement in the coming 5 years. In addition, representatives pledged to fulfill energetically the various tasks set forth by this report with a view to creating a new situation in the women's movement of the province.

Through full deliberations and a democratic election, representatives to this congress produced the seventh executive committee of the provincial women's federation. The representatives burst into warm applause when the congress executive chairman announced that Wang Zhenying was elected chairman of the seventh executive committee of the provincial women's federation and that Dai Huanmei, (Yang Xianglan), and (Zhang Hongmei) were elected vice chairmen of the committee. The congress also elected 11 Standing Committee members and 63 executive members.

The leading body of the new committee pledged to live up to the heavy trust of history and the expectations of women, to represent truly the interests of women, to serve wholeheartedly the broad masses of women, and make new contributions with a new attitude. The congress also adopted the resolution on conscientiously studying and implementing the guidelines of the 4th Plenary Session of the 13th CPC Central Committee. [passage omitted]

Jilin Governor Speaks at Family Planning Meeting

*SK1408022189 Changchun Jilin Provincial Service
in Mandarin 2100 GMT 11 Aug 89*

[Text] The provincial family planning work conference concluded in Changchun on 11 August. Provincial Governor Wang Zhongyu and Provincial Vice Governor Liu Xilin attended the conference.

At the conference, provincial leaders affirmed our province's achievements in family planning work scored in the past few years and also emphatically pointed out the problems in the province's current family planning work. Provincial Vice Governor Liu Xilin said: At present,

units backward in family planning still account for 15 to 20 percent in our province. The situation of unplanned births is serious. In some towns and townships in Changling, Tonghua, Jingyu, and Antu Counties, in particular, family planning work is mismanaged and out of control. In some localities, there are malpractices and deception in family planning.

Provincial Governor Wang Zhongyu stressed at the conference: Leading persons at various levels should earnestly regard family planning as an important task, and carry it out. They should enhance their sense of urgency and responsibility in population control, unwaveringly and steadily implement the current family planning policy, resolutely enforce the provincial family planning regulations, conduct strict checks, [words indistinct]. They should foster the idea that laws are authoritative and solemn and should be kept stable. Meanwhile, forces from various circles of society should be mobilized to attend to family planning work with concerted efforts, tackle its problems comprehensively, and make it successful.

Liaoning Secretary Addresses Meetings**Yingkou Work Conference**

*SK1608054989 Shenyang Liaoning Provincial Service
in Mandarin 0930 GMT 9 Aug 89*

[Summary from poor reception] "The provincial party committee and government held an on-the-spot work conference in Yingkou City on 7 and 8 August. Attending were Quan Shuren, secretary of the provincial party committee; Li Changchun, provincial governor; Zhu Jiazen and Wen Shizhen, provincial vice governors; Cheng Jinxiang, vice chairman of the provincial People's Congress Standing Committee; Cui Yukun, secretary general of the provincial government; and responsible comrades of the relevant departments directly under the province. Xu Shilian, secretary of the Yingkou City party committee, and Zhao Xinliang, mayor of the city, attended and gave reports on the city's industrial production and opening up in the first half of this year.

The conference held: Under the severe circumstances of serious shortages in power, energy resources, funds, and raw materials, Yingkou City has overcome difficulties, and scored certain achievements in industrial production and opening to the outside world since the beginning of this year. However, this coastal open city focusing on light and textile industries has yet to fully develop its advantages. In industrial production, the growth rate was rather slow, profits declined, and loss-making enterprises were on the rise.

After analyzing the aforementioned problems, participants to the conference offered many good suggestions.

Provincial Governor Li Changchun said in his speech: Yingkou City occupies an important position in the province's opening to the outside world. Whether the city can succeed in industrial production and opening to the outside world has a direct bearing on Liaoning's economic development, and its efforts to stabilize the market and commodity prices. If we do not adopt effective measures to resolve the city's difficulties now, its conditions will become worse next year.

He urged the city to organize a large-scale discussion to encourage the masses to suggest ways to resolve difficulties, and develop the spirit of self-reliance and hard struggle to promote industrial production and opening up in a down-to-earth manner.

"Quan Shuren stressed: People throughout the province are conscientiously studying and implementing the guidelines of the fourth plenary session of the party Central Committee. Major indications of the efforts to implement the guidelines are to enhance understanding, to unify thinking, to arouse spirit, and to successfully carry out the four important tasks put forward by the party Central Committee. What we should emphasize is that we should arouse spirit. Without high spirit, it will be impossible for the people to resolve the difficulties in economic work. We should fully estimate the difficulties we face. To overcome the difficulties, the most important thing is that we should use the guidelines of the fourth plenary session of the party Central Committee to arouse the initiative of the people throughout the province. We should clearly explain to the masses what difficulties we have, and encourage them to suggest ways and means. In this way, we will be able to overcome all difficulties, no matter how great and how many they are. Dalian City's work to make inventory of and redistribute the goods in stock enlivened the circulation of funds and commodities. This practice is worthy to be popularized provincewide. "The conference also made arrangements for further construction of the Bayuquan export-oriented processing zone. It urged Yingkou City to make good preparations in various fields for further opening to the outside world."

Personnel Conference

SK1408020189 *Shenyang Liaoning Provincial Service in Mandarin* 2200 GMT 12 Aug 89

[Text] The provincial conference on the work of assigning scientific and technical personnel to serve as county deputy heads concluded on 12 August. Quan Shuren, secretary of the provincial party committee, said at the conference: Thanks to the hard efforts of the vast number of scientific and technical personnel and those who were assigned to serve as county deputy heads, more and more people in rural areas of our province have come to understand the tremendous role of science and technology. Science and technology have played an important role in developing our province's rural economy.

The work of selecting and assigning scientific and technical personnel to serve as county deputy heads began in 1982 in our province. So far, the province has sent 62 scientific and technical personnel to serve as deputy heads in 43 counties and districts. Since these personnel from scientific research institutes, colleges, and universities took charge of the county and district scientific and technological work, they have played an important role in helping these areas strengthen leadership over scientific and technological work, have cleared the channels for science and technology to flow from urban to rural areas, and have increased the self-development ability of rural areas. According to incomplete statistics, through these county deputy heads, 144 technological projects and new products had been developed, 17.98 million yuan in loans and funds had been brought to rural areas, 437 items of applicable technology had been popularized, 1,747 specialized technical personnel had gone to rural areas, and more than 1.43 billion yuan of industrial and agricultural output value, as well as more than 230 million yuan of profits and taxes had been created by the end of 1988.

The conference clearly pointed out that instead of being an expedient measure, selecting and sending scientific and technical personnel to serve as county deputy heads is an important part of the strategy of developing Liaoning through science and technology, as put forward by the provincial party committee and government. The conference decided that agricultural counties and districts of our province should be installed adequately with the deputy heads selected from scientific and technical personnel. The conference commended 28 such county deputy heads for outstanding performance. The Shenyang branch of the Chinese Academy of Sciences, the provincial agroscience institute, the Shenyang Agricultural College, and the Shenyang Applied [words indistinct] Institute of the Chinese Academy of Sciences were also commended at the conference.

Li Xue, vice minister in charge of the State Science and Technology Commission; Li Changchun, provincial governor; and Lin Sheng, provincial vice governor, also attended the conference. Provincial Vice Governor Li Sheng gave an important speech on improving the work level of scientific and technical personnel serving as county deputy heads and on strengthening the management of the work of assigning scientific and technical personnel to serve as county deputy heads.

Northwest Region

Shanxi Courts Sentence Rioters to Life

OW1708091389 *Beijing Domestic Service in Mandarin* 2130 GMT 16 Aug 89

[From the "News and Press Review" program]

[Text] According to a XINHUA report, the Xian City Intermediate People's Court and People's Courts of (Xincheng), (Daqiao), and (Yanta) Districts yesterday

openly brought in a first-trial verdict according to law against some criminal elements who engaged in beating, smashing, looting, and burning during the turmoil on 22 April. Seven people including (Rui Chaoyang) and (Zhang Binbin) who were involved in six cases were separately sentenced to life imprisonment and specified terms of imprisonment. (Li Jun) and (Li Zehua) were exempted from criminal punishment.

On 22 April, a serious incident involving beating, smashing, looting, and burning took place in Xian City's (Xincheng) Square. (Rui Chaoyang), a temporary worker of the Xian (Huanbao) Boiler Co., wantonly made trouble in the square, insulted public security cadres and policemen on duty, and repeatedly hurled bricks and stones at armed public security policemen in an attempt to gather others to create disturbances. After knocking down the (Xidamen) Wall of the Shaanxi Provincial Government Office, he, together with other gangsters, forced his way into the compound of the provincial procuratorate and court, smashed windows of a passenger car inside the compound, and joined others to overturn the car. He and other gangsters also blocked and smashed a tourist bus carrying Taiwan compatriots. The Xian Intermediate People's Court sentenced (Rui Chaoyang) to life imprisonment according to law for hooliganism. He was also stripped of political rights for life.

On the afternoon of 22 April, (Zhang Binbin), a contract worker of the installation team of the Shaanxi Provincial

No 3 Construction Co., used bricks to smash the rear window of a truck and joined other gangsters to push down the western fence of the provincial government office. (Zhang Binbin) was sentenced to 7 years in prison for committing arson and 10 years in prison for hooliganism. He will serve a 16-year jail term and will be stripped of political rights for 3 years.

On the afternoon of 22 April, (Fan Changjiang), a young man without a job, sneaked into a house in western (Xidamen) in (Xincheng) Square and took away five audio magnetic tapes. He also broke into and looted the (Tiantian) apparel store. He was sentenced to 12 years in prison and stripped of political rights for 3 years. (Wang Zunning) and (Xiao Sanfeng), peasants from (Lantian) County; (Zhao Jian), a temporary worker of the Xian Institute of Metallurgical and Architectural Engineering; and (Sun Chaohui), a temporary worker of the (Chengzhong) office of the Employment Service Co. of the Xian Survey and Drawing School, were sentenced to 3 to 4 years in prison for disrupting social order.

(Li Jun), a worker of the Xian Special Industrial Art Factory, and (Li Zehua), a worker of the Shaanxi Steel Co., turned themselves in within the time limit specified in a notice issued by public security and judicial organs. They confessed their wrongdoings and were therefore exempted from criminal punishment according to law.

U.S. Seen Supporting Taiwan Independence
HK1708082789 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0835 GMT 13 Aug 89

[Roundup by He Shan (4421 1472): "The United States and Taiwan Echo Each Other in Creating Atmosphere for 'Taiwan Independence'"—ZHONGGUO XINWEN SHE headline]

[Text] Hong Kong, 13 Aug (ZHONGGUO XINWEN SHE)—The 16th annual meeting of the Taiwan Countrymen Worldwide Association was held in Taiwan this year; it was convened in Kaohsiung on 10 August. The topic of this annual meeting was "building a new Taiwan," and it is expected that the meeting will bring a new high tide to the echoing activities for "Taiwan independence" which have been carried out since this summer in the United States and Taiwan.

Shortly before the convening of the annual meeting of the Taiwan Countrymen Worldwide Association, Stephen Solarz, chairman of the Subcommittee on Asian and Pacific Affairs of the House of Representatives of the United States, made known on 20 July the results of a so-called "Taiwan Survey" done by questionnaire, which indicated that 89.51 percent of Taiwanese resident in the United States who responded to the survey agreed to an independent Taiwan.

On 19 July, The United States Senate also passed the amendment bill on the policy on Taiwan's future proposed by Claiborne Pell, chairman of Senate Committee on Foreign Relations. The amendment said: "The future of Taiwan should be decided peacefully and in a way which is free of threat and is acceptable to the Taiwan people. Relations between the United States and the People's Republic of China depend on whether the Chinese authorities will use force against Taiwan."

These actions of the members of Congress in the Senate and the House of Representatives are not accidental. The people in charge have close relations with the U.S.-based organizations advocating independence for Taiwan. The "Taiwan Survey" by Solarz was done precisely by sending out questionnaires based on the name list provided by a Taiwanese social group, and arrived at the conclusion that an absolute majority of Taiwanese resident in the United States support "Taiwan independence." Pell also proposed the amendment bill on Taiwan's future with active support and hints from the Taiwan International Relations Center, which advocated that "the sovereignty of Taiwan belongs to the 20 million residents of the island."

Other than the actions of the U.S. members of Congress, the groups in the United States advocating "Taiwan independence" have been very active this year. On 7 and 8 July, the conference on "New Taiwan in the 21st Century" was held jointly at the University of Maryland by the Taiwan International Relations Center, the North America Taiwanese Professors Society, and the Taiwan Human Rights Promotion Association. The contents of the conference included Taiwan sovereignty, public policies, and the drafting of a new constitution; it is viewed by the supporters of "Taiwan independence" as a large-scale academic meeting aimed at "nation-founding." The Taiwan People Public Affairs Committee convened in late July a Standing Committee meeting and a meeting of chairmen of branch committees, and passed an announcement advocating that "a referendum should be held in Taiwan to decide on the issue of one China, one Taiwan."

Regarding Solarz' "Taiwan Survey," Yao Chia-wen, former chairman of Taiwan's Democratic Progressive Party and currently a member of the Standing Committee member of the party, who tended to accept the results of the survey, thought that the report of the survey and the amendment bill passed by the Senate indicated that the U.S. Government also has a tendency to support Taiwan independence at the level of policy. Some other scholars who were skeptical about the objectivity of the results of the survey thought that there was a predetermined stance in the design of the questionnaire, that the targets of the selected sample were also biased, that the people in charge intentionally created an atmosphere for "Taiwan independence," and that therefore the credibility of the results of the survey was in doubt. Professor Chen Yu-chun, head of the Institute of Sino-American Affairs at Taiwan Cultural University, pointed out that the whole survey reflected a "very crude fantasy," that the proposition and spread of ideas such as "Taiwan independence" have created tension across the strait and even on the international scene, and that the first sign of trouble will generate in Taiwan internal disturbances and instability which will not be beneficial to the 20 million residents of Taiwan and all Chinese people.

One thing is noteworthy: Although Taipei has repeatedly stressed that no one should advocate Taiwan independence, in the last 1 or 2 years, activities for "Taiwan independence" on the island have become more visible and obvious, and forces advocating "Taiwan independence" on the island and in overseas localities have echoed each other in a more open way, with a tendency of moving to Taiwan and "planting roots" there. The convention of the annual meeting of Taiwan Countrymen Worldwide Association right in Taiwan can be viewed as a challenge to the above-mentioned prohibition ordered by Taipei.

Premier Li Urges Defense Strategy Changes
OW1708030789 Taipei Domestic Service in Mandarin
2300 GMT 15 Aug 89

[Text] During his inspection of the Ministry of National Defense, Premier Li Huan said: Following the normalization of relations between the Chinese communists and the Soviet Union, in order to ensure the safety of the Taiwan Strait, our armed forces should make the appropriate readjustments to their defense strategy in consideration of possible changes in the Chinese communists' strategic disposition.

Economics Minister Departs for European Tour
OW1608181489 Taipei CNA in English
1515 GMT 16 Aug 89

[Text] Taipei, Aug. 16 (CNA)—The Republic of China's [ROC] Economics Minister Chen Li-an left for Europe Wednesday for a five nation, 18-day visit.

Chen will seek to enhance economic and trade cooperation between the Republic of China and the nations of the European Economic Community in preparation for the single market to be inaugurated in 1992.

Minister Chen will visit France, Switzerland, West Germany, the Netherlands, and Belgium. He will also call on the organization for economic cooperation and development and the General Agreement on Tariffs and Trade in an attempt to increase the possibility of the ROC joining the international economic and trade organizations.

Chiang Hsiao-wu Likely New Envoy to Japan
OW1608152489 Taipei Domestic Service in Mandarin
2300 GMT 9 Aug 89

[Text] The appointment of Mr Chiang Hsiao-wu, China's representative to Singapore to replace Mr Ma Chih-chuang as China's representative to Japan is almost certain, according to a high-ranking government official. This appointment has attracted wide attention over the past few days. According to him, the government has not decided when this personnel change will take effect. The government will officially announce his appointment after deciding who is going to replace in Singapore.

Mr Chiang Hsiao-wu enjoys profound friendship with Japanese political circles. He also enjoys amicable relations with the new Japanese Prime Minister Kaifu. He was accorded a courteous reception when he visited Japan 5 years ago. His appointment as representative to Japan is expected to bring a new atmosphere to Sino-Japanese diplomacy at a time when the younger generation of the Liberal Democratic Party is replacing the old.

Roundup Views 'Meddling' in Mainland Turmoil
HK1708061989 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 32, 7 Aug 89 pp 4-6

[Article by Yan Dong (1750 0392) and Li Min (4539 2404): "A Roundup of Taiwan Espionage Organization Meddling in the Mainland Turmoil"]

[Text] The espionage organizations of Taiwan's Kuomintang [KMT] have been creating social turmoil on the mainland through all kinds of acts of sabotage, and they are very "skillful" in this respect. This is a long-standing fact. For many years, they have played various tricks and frequently changed their tactics. But their purpose is the same: To create disturbances on the mainland and stabilize Taiwan. In their own words, their purpose is "to disintegrate the CPC and stabilize the resurrection base."

The "Mainland Policy" Never Departs From the Original Purpose Despite All Apparent Changes

Since the mainland adopted the policy of reform and opening up, the atmosphere between both sides of the Strait has been gradually relaxed. As the terrorist methods—such as blasting, assassination, and hijacking—have long been spurned and reviled by the people throughout the world, the Taiwan KMT's espionage organizations have attached greater attention to finding opportunities from the unstable factors within the mainland so that they may stir up troubles and throw the mainland into disorder, and so that Taiwan's "stability and prosperity" may become more prominent.

Taiwan's mainland policy has been "readjusted and changed" many times. In Chiang Kai-shek's time, "70 percent of the attention was paid to the enemy's rear area and 30 percent was paid to the frontline." In Chiang Chingkuo's time, it was changed to "taking the mainland as the main battlefield and Taiwan as the sub-battlefield." The current policy is "to be based on Taiwan and advance toward the mainland." Despite all these changes, it has never departed from the original purpose: To "oppose the Communist Party and recover the country."

In July 1988, the "13th KMT National Congress" put forth a policy of "propagate 'Taiwan experience,' support democratic movement on the mainland, give play to Taiwan's political and economic influence, and win over popular support on the mainland," attempting to create a situation of "contention without war," "distinction without separation," and "peace without reunification" on both sides of the Strait. At the same time, in order to promote "internal changes" on the mainland and gain the initiative in political affairs, it has used all methods other than armed forces to exert influence on the mainland. In this so-called "political counteroffensive," the espionage organizations of Taiwan's KMT are naturally playing the part of the daring vanguard. They have continuously adopted all kinds of methods to subvert

and sabotage the people's democratic power on the mainland. Hsiao Chang-le, director of the "mainland work committee," a Taiwan KMT espionage organization, once spoke bluntly that "supporting the democratic movement on the mainland is an act of implementing the mainland policy." The espionage organizations of Taiwan's KMT also emphasized the necessity of giving priority to the task of inciting "all kinds of grievances on the mainland" and supporting "all kinds of democratic movements" there.

Espionage Runs Rampant

Since the mainland adopted the policy of reform and opening up, Taiwan's KMT espionage organizations have made use of the mass media to create rumors and strengthen counterrevolutionary propaganda. On the other hand, they have sent special agents into the mainland to stir up trouble. In March 1983, Guangdong's state security organ cracked a case of special agents sent by Taiwan's "mainland work committee." He En-chieh, head of Taiwan's "391" espionage group stationed in Hong Kong, and Lin Tse-jung, a group member, were sent to the mainland on 22 March 1983. On the afternoon of 29 March, they put up a reactionary slogan about 8 meters long and 5 meters wide on the outside wall of the Guangzhou Hotel facing the Haizhu Square, on which were written "reunifying China with the three people's principles." In as little as 6 hours after they put up the reactionary slogan, both He and Lin were arrested by the Guangdong State Security Department. In the autumn of 1986, when the Taiwan KMT espionage organizations saw that an ideological trend of bourgeois liberalization had appeared in some universities and colleges on the mainland, they stepped up their conspiratorial activities to meddle in the turmoil. After careful investigations, the state security organs in various areas then unravelled several cases.

In January 1987, through close coordination, the state security organs of Fujian, Henan, Jiangsu, Gansu, and Shaanxi arrested two special agents of Taiwan's military intelligence agency—Liu Chen-kuo and He Jung-sheng by name—who had meddled in the students strike on "9 December." After Liu and He were sent into the mainland, they brazenly carried out espionage activities. On 29 December 1986, Liu Chen-guo, who disguised himself as a college student, made an open and lengthy speech in Nanjing's Gulou Square, attacking the Communist Party and socialism. He said: "This system should be fundamentally changed." In order to change the system, "it is not enough to rely on the college students. It is necessary to mobilize the people of all circles. It is necessary to mobilize the entire society." He also tried to stir up troubles among the masses. In May 1987, the state security organs of Sichuan and Yunnan unravelled a hidden espionage organization sent by Taiwan's military intelligence agency. More than 10 special agents were arrested in one swoop, including Pai Hung, head of the espionage group; Sun Chung-li, deputy head; and Chang Pai, a liaison man, who were sent by the

Taiwan agency: Zhang Dengyun and Tan Zhongyuan, who were recruited in the mainland were also arrested. In October 1986, Pai Hung and Sun Chung-li were sent to Yunnan and Sichuan, entrusted with a task of recruiting new members inside the mainland and instigating turmoil. Then they developed their underground organization, secretly purchased printing machines, and printed large numbers of reactionary propaganda materials. In March 1987, they went to Chongqing city and distributed more than 1,300 counterrevolutionary leaflets in the Shancheng Cinema and Pipashan Park. The leaflets, signed in the name of the "cultural and propaganda group of the armed work brigade of southwest China democratic movement," advocated that "China's democratic movement can win the victory only through armed struggle," instigating people to loot guns from the "armed forces departments, public security bureaus, and military camps." In October 1988 and March 1989, when there were disturbances in Lhasa, Taiwan's KMT espionage organizations also seized the opportunity to meddle. Trying to expand the turmoil, they ordered the hidden special agents to wait for an opportunity to act. In March of this year, soon after disturbances occurred in Lhasa, Kao Ching-tung, a hidden special agent of Taiwan's "mainland work committee" in Gansu's Linxia autonomous prefecture, sent a message to Taiwan's KMT espionage organization proposing to act immediately and instigate disturbances in his area too. To this end, he worked out the following plan: To carry out propaganda and gather the core members first, and then attract the masses to participate so as to force the CPC to give up the four cardinal principles. He also asked the organizations outside to provide him with reactionary propaganda materials so that he might act inside with the help of outside. Recently, the state security organ of Gansu Province arrested this special agent.

For many years, Taiwan's KMT espionage organizations have carried out all kinds of activities of conspiracy and sabotage against the mainland, and they have been repeatedly given heavy blows by the state security organs on the mainland. However, they have never stopped their activities, they only make them more secret and covert.

The Tactics and Means of the Taiwan Espionage Organizations

The Taiwan KMT espionage organizations once described their policies and tactics of meddling in mainland turmoil as follows: It is necessary to pay close attention to all kinds of unstable factors that may emerge at any time in the political, economic, and other social fields on the mainland, and "promote our work" by every possible means so as to sow discord between the masses and the CPC. It is necessary to do what we can to arouse the grievances and antagonism of the masses toward the mainland government so that the masses of people may turn to support Taiwan in the long run. In this way, the CPC regime will gradually be shaken and

eventually collapse. Acting in accordance with this "strategic policy," Taiwan's KMT espionage organizations have tried 1001 ways to carry out acts of sabotage, never letting an opportunity pass. In 1985, the CPC Central Committee made a decision on reducing 1 million troops; in 1988, the State Council made a decision on readjusting commodity prices. On these occasions, they thought that the masses on the mainland did not have a firm faith in the government, and that they had a "good opportunity" to seize. Therefore, they adopted some concrete actions, trying to stir up troubles and achieve their aim.

They even made use of some less important matters to create disturbances, such as the blind influx of more than 100,000 laborers into Guangzhou which appeared during the spring of this year. Over the past year or so, student strikes and turmoil emerged in some cities, and disturbances and upheavals emerged in some border areas. They certainly seized those opportunities to directly or indirectly meddle.

A method Taiwan's KMT espionage organizations have adopted to stir up trouble and meddle in the turmoil is to create a large number of rumors, write agitating articles, and spread them via broadcasts and newspapers. They have also produced all kinds of reactionary "psychological warfare" printed matter and distributed them in the mainland through various channels. Some of those materials were printed in the name of certain so-called overseas democratic organizations, such as the "Overseas Chinese Youths Democratic Association" and "China Democratic League of Hong Kong." Some were printed in the name of the so-called "democratic movement" organizations on the mainland, such as "the headquarters of the Guangzhou students organization to commemorate the '5 April' and 'May 4' movements" and "the All-China Students Federation." Some were printed in the form of local journals and newspapers such as LEIMING [thundering], and QUANZHOU WANBAO. Some were reprints of articles from other reactionary journals and newspapers outside the mainland. In 1982, after the CPC Central Committee made a decision on establishing a retirement system for veteran cadres, Taiwan's KMT espionage organizations again seized this opportunity to create and spread rumors. They produced reactionary propaganda material in the name of the "Shanghai sub-office of the national revolutionary liaison office of retired veteran cadres," entitled "Indignant Accusation of Retired Veteran Cadres," in which they said: "There have been at least six veteran military cadres at the deputy army corps commander level who have committed suicide to protest the authorities for compelling veteran cadres to retire." They spread the rumor that more than 30 retired veteran military cadres, "all who were originally army corps level officers except for seven division-level and five regiment-level officers," had harassed the place where a meeting to mark the Army Day was being held by the Central Military Commission. In order to instigate turmoil, they said: "At present, there are already 1.37

million retired veteran cadres in our country. They all joined the revolution before the founding of the state. This is a great force not to be ignored." It is necessary to "resolutely support the revolutionary action of the retired veteran comrades in Beijing and respond to their call."

Another method they have adopted to stir up troubles and meddle in turmoil is to send their special agents to the mainland and give instructions to those already hidden there, so that they can carry out all kinds of sabotage on the mainland. According to the instructions of the espionage organizations, some special agents on the mainland have instigated and encouraged the disturbances in certain areas; some have established and developed secret organizations to assemble forces and carry out underground counterrevolutionary activities; and some have colluded with the illegal underground organizations on the mainland and with people who are hostile to socialism and supported their antigovernment activities. Taiwan's KMT espionage organizations have demanded them to deliver a prompt report on the possible trend of turmoil on the mainland and the situation of turmoil that has already emerged, on the political figures who have emerged during the turmoil and their political stand, and on the political demand and slogans of the turmoil. They have demanded that the special agents collect the leaflets and big-character and small-character posters which appeared during the turmoil and promptly publish them in newspapers. The collection of materials concerning the situation of turmoil has played the following roles: 1. To provide the policy-making organs of the Taiwan authorities with necessary information, so that they may readjust their political attitude toward the mainland in light of the latest developments of turmoil and contend with the mainland for the "initiative" in international affairs. On 29 April, 17 May, and 3 June, in light of the "turmoil on the mainland" provided by its espionage organizations, the KMT in Taiwan held a number of meetings, including one of the Standing Committee of its Central Committee and a plenary session, and issued a series of statements. It changed its original political slogans and was more enthusiastic in opposing the Communist Party.

2. Taiwan's KMT espionage organizations made frequent changes in their policy to expand turmoil on the mainland as changes occurred in the mainland situation. Whenever there were disturbances on the mainland—such as the "33 signatures" incident in February this year, which was plotted by Chen Jun of the reactionary "China Democratic Alliance," the student movement started in mid-April in the name of mourning Comrade Hu Yaobang; the social turmoil that appeared in Beijing and other cities in May due to "hunger strike" and "support;" and the counterrevolutionary riot in Beijing at the beginning of June—Taiwan's KMT espionage organizations would instruct their special agents to take actions and readjust their lines of propaganda according to the information they had obtained. They produced all

kinds of reactionary "psychological warfare" propaganda materials and carried out agitating propaganda against the mainland through various channels. 3. They exaggerated the turmoil in certain areas on the mainland and spread rumors to the mainland through all possible media to "establish ties" everywhere on the mainland and turn the turmoil in some areas into nationwide turmoil. During the turmoil this year, Taiwan's KMT espionage organizations instructed their special agents to collect and report all kinds of reactionary slogans and pictures as promptly as possible so that they could "break the blockade of the CPC" by spreading them. In the reactionary "psychological warfare" leaflet—which was entitled "We Must Bring the Movement to the Masses" and which was distributed in the name of the "Tokyo Branch of All-China Students Alliance"—there was a presentation of the student movement in Beijing which appeared after Comrade Hu Yaobang's death, and there were many photos to play up the scenes. All the KMT special agents arrested by the state security organs have engaged in the activity of collecting and reporting on the turmoil and providing the Taiwan authorities with anti-communist materials.

Make Trouble, Fail, Make Trouble Again, Fail Again

Recently, when the student movement and turmoil appeared on the mainland and the counterrevolutionary riot appeared in Beijing, the Taiwan authorities made a wrong appraisal of the situation, thinking that their "political counterattack" had been "widely affirmed by the international community and responded to by the mainland compatriots," and that "the opportunity had come for fighting against the Communist Party and resuming the country." Again they set off a new anti-communist wave inside and outside the island. They held one high-level meeting after another and issued a series of statements arrogantly saying that "a prerequisite for reunification is to overthrow the despotic rule of the Communist Party." In tactics, they worked out the so-called "measures for supporting the democratic movement on the mainland" and strengthened political infiltration into the mainland. Taiwan's KMT espionage organizations also held a number of emergency meetings, ordering their subordinate departments to "work under overloaded conditions and speed up operations" so as to "vigorously promote the democratic drive on the mainland." Since mid-April of this year, the military intelligence agency and the "mainland work committee," two major espionage organizations in Taiwan, have continuously instructed their subordinate units and the hidden special agents on the mainland to pay close attention to the social changes during the "May 4th" period and extensively collect detailed information on the mainland "democratic movement." They have instructed the special agents to make an enthusiastic response to the "tide" of "democratic movement;" try their best to contact the ringleaders of the "democratic movement;" and do what they can to make the workers, peasants, and citizens sympathize with and respond to the "democratic movement," so that the "movement to

strive for democracy and freedom" can develop into a "full-scale movement to oppose the Communist Party and despotism." They said in their instructions: Since April, Beijing students have started an activity to mourn Hu Yaobang. As "May 4th" is approaching, it is necessary to guide the masses on the mainland to use this opportunity and turn their sympathy for Hu into an activity to demand "freedom and democracy" and "political reform." In the middle of May, when the student movement and turmoil in Beijing and other cities had been further upgraded, they gave the following instructions: It is necessary to further advance on the crest of victory and guide the student leaders to continuously push forward the "democratic movement" step by step and in a planned way. In that period, to coordinate with their special agents on the mainland, the KMT espionage organizations in Taiwan also strengthened their broadcasts to the mainland.

In May alone, the number of rumors, slanders, and "psychological warfare" articles broadcast by their radio stations increased by more than 100 percent over the same period of last year. In addition, there was a great deal of fabricated and agitating "news." After Beijing students turned their strike at school into a hunger strike, Taiwan's "Voice of Free China" soon changed their practice of more than 30 years and extended their news broadcast from the original 10 minutes to 20 minutes. What it broadcast was deliberately exaggerated and agitating news. For example, in its "news from Tiananmen" on 20 May, it said that the general commander of the hunger strike group announced to the world that the 200,000 college students in Tiananmen Square would join the hunger strike right away... and the "Workers Autonomous Federation" declared that if the government would not unconditionally accept the students' demand within 24 hours, the workers would stage a general strike in the city on that very day.... In view of the development of the student strike, the turmoil on the mainland, and the counterrevolutionary riot in Beijing, Taiwan's KMT espionage organizations compiled and printed large amount of reactionary "psychological warfare" printed matter and sent it to the mainland through various channels. Those "propaganda" materials were aimed at instigating turmoil. For example, they said that "what the mainland needs is not four modernizations, but five, including modernization in its democratic system. To this end, it is necessary to discard entirely the four cardinal principles." Some other materials, such as the "message to all compatriots" distributed in Beijing under the name of "all the kindhearted officers and men of the third central guards division," said that "perhaps very few young soldiers have not left a good impression on our compatriots, but we have to obey orders (including entering and protecting Beijing)... However, compatriots, do you think we have democracy and freedom?"

During the turmoil, Taiwan's KMT espionage organizations instructed their hidden special agents on the mainland to meddle directly in the turmoil. After careful

investigations, the state security organs on the mainland have discovered and unravelled a number of cases involving Taiwan's KMT special agents in more than 10 provinces, autonomous regions, and municipalities, including Beijing, Shanghai, Guangdong, Fujian, Liaoning, and Ningxia. In Fujian Province alone, several such cases have been unravelled. In Shanghai, the local state security bureau cracked a case of Zhou Yan, a KMT special agent. Zhou was recruited into an espionage organization in 1988 outside the mainland. After a period of training, Taiwan's espionage organization sent him back to the mainland to secretly develop an espionage organization inside, and to seek opportunities to launch "student movements, peasant movements, and worker movements." Soon after Zhou returned to the mainland, he recruited Cao Weiguo and other four people into a secret espionage organization. During the turmoil on the mainland, Taiwan's KMT espionage organization sent him a secret letter in a predetermined form (that is, to select the 6th or 8th...characters of a normal letter and put them together to form a new one), instructing him to "follow the current developments, participate in the student movement, and report achievements." After receiving the instruction, Zhou Yan and others soon participated in the turmoil in Shanghai and reported through secret channels their activities to the espionage organization.

For many years, whenever their conspiratorial activities were exposed and their special agents were arrested, Taiwan's KMT espionage organizations would explain or deny the fact through their media. However, the more they tried to cover up their base conduct, the more they exposed themselves. In June this year, after the state security organs on the mainland made known to the public a number of cases involving Taiwan's KMT special agents who had meddled in the turmoil, Hsiao Chang-le, director of the "mainland work committee" of Taiwan KMT, said immediately: "We do have some working personnel on the mainland, but we cannot verify for the CPC whether the people they have arrested are our personnel...." A spokesman for Taiwan's military intelligence agency said that the main task of their "working personnel in the enemy's rear area" was to collect information, and they "did not participate in the internal struggle and democratic movement on the mainland." This can only tell people indirectly that so

long as the people's democratic regime exists on the mainland, they will never stop their activities of espionage and sabotage. Therefore, we should never relax our vigilance against the black hands from Taiwan.

Police Order Dissident Li Hsien-zong To Leave
*OW1708030589 Taipei Domestic Service in Mandarin
2300 GMT 15 Aug 89*

[Text] The National Police Administration has notified Li Hsien-zong, chairman of the World Formosa Association, to voluntarily leave Taiwan in 7 days after receipt of their notice, or face a forced expulsion.

Participation Planned in U.S. Space Lab Project
*OW1608130189 Taipei International Service
in English 0200 GMT 13 Aug 89*

[Text] The Economic Ministry has said that the Republic of China [ROC], Japan, and Italy will jointly participate in the U.S. space lab project. The ministry will also cooperate with the National Science Council to arrange zero gravity testing for materials and superconductors in order to pave the way for the ROC to join in the international development of space science and technology.

The space lab will perform zero gravity tests of materials and medicine. According to estimates by foreign experts, the space lab could earn 20 million U.S. dollars per launch and will recover its costs after three launches.

Meanwhile, the Ministry also announced that the ROC is using a variety of channels to propose to the U.S. Boeing Company that they jointly manufacture airplanes in the Republic of China on Taiwan. An official said the ROC hopes to ultimately manufacture the medium range Boeing 737 passenger plane.

The official pointed out that if Boeing could cooperate with the ROC to produce the 737's, the company could then focus its work on other planes as their demand exceeds supply in the international civil aero-transportation market. Boeing is capable of producing 200 737's a year. The official said that the ROC has to assemble (?40) 737's on Taiwan.

Hong Kong

PRC Reacts 'Angrily' to UK Basic Law Views *HK1608031589 Hong Kong SOUTH CHINA MORNING POST in English 16 Aug 89 p 1*

[Text] China reacted angrily yesterday to Britain's presenting its views on the Basic Law in public.

Through a senior Chinese official, China said it strongly resented what it saw as Britain's high-handed behaviour.

The official told THE HONGKONG STANDARD that a speech made by Mr Barrie Wigginham, Secretary for General Duties, on Monday made the Chinese wonder Britain was attempting to stir public sentiment to put pressure on China after the turmoil of June 4.

The official said it was both "inappropriate" and "irresponsible" of Mr Wigginham to present views on the Basic Law in a public speech, in his capacity as a British official.

The presentation had been counter-productive, and he could not understand why Mr Wigginham put it the way he had, he said.

The Chinese official was referring to the 18-page speech in which Mr Wigginham listed areas in the draft Basic Law which he said "need further examination".

Some touched on the sensitive manifestation of China's sovereignty over Hong Kong. The official said British views were always welcome, provided they were properly presented through diplomatic channels and private talks.

He accused the British of making use of local resentment toward Beijing after June 4 as a lever to force concessions on the Basic Law.

On principle, the Chinese had never and would not bow to public pressure, he said.

He doubted whether the British were wise to play "the public opinion card" the way it had.

Mr Wigginham, who appears to have stirred the storm, said last night that he did not wish to comment on other people's comments.

He conceded that his speech two days ago had been the most specific and comprehensive remarks on the Basic Law so far, but said he was in fact encouraging the public to speak up.

"As consultation and drafting are now entering the final stages, I feel it important to stimulate public discussions.

"This is just what members of the Basic Law drafting and consultative committees look for," he said.

But he said there was still room to discuss the post-1997 political blueprint, including the pace of development of the representative government.

THE HONGKONG STANDARD has learnt that Chinese officials here yesterday met the new Political Adviser Mr William Ehrman.

But both sides gave little away about whether they touched on the row over the Basic Law.

The Government Information Services said yesterday's meeting was a routine liaison meeting with the XINHUA News Agency Hong Kong branch. "We do not normally disclose contents of diplomatic exchanges."

Basic Law Consultants Leave for Beijing Meeting

To Convey Residents' Concerns *OW1708001489 Beijing XINHUA in English 2341 GMT 16 Aug 89*

[Text] Hong Kong, August 17 (XINHUA)—Some members of the Consultative Committee for the Basic Law of the Hong Kong Special Administrative Region (CCBL) left here for Beijing yesterday for the exchange of views with mainland drafters there.

According to a news release of the CCBL, the nine-member group headed by CCBL Vice-Chairman Lo Tak Shing will inform the Basic Law Drafting Committee on the concern of Hong Kong residents for the future of Hong Kong and the latest adjustments in their consultative work.

The aim of the visiting group, the news release added, is to hope for more channels to be arranged to enable the Drafting Committee, the Consultative Committee and people from various walks of life in Hong Kong to exchange views so that the opinions of Hong Kong residents can be adequately and fully reflected.

Therefore, the news release said, they will mainly discuss with law drafters in Beijing the work arrangements and coordinations between the Drafting Committee and the Consultative Committee during the consultation period, including such issues as the focus of the consultations on the Basic Law, and the form and date of publishing the consultation report.

It has been decided the Basic Law should be reviewed and passed by the National People's Congress in April next year.

Some local people here think more time is needed to work on the Basic Law as the consultation period had already been extended by two months to the end of October this year.

The visitors are scheduled to return Thursday evening.

No PLA Presence 'Implausible'
*HK1708053189 Hong Kong HONGKONG STANDARD
in English 17 Aug 89 p 3*

[By Leung Sze-man and Jeremy Lau]

[Text] It would be implausible for the People's Liberation Army not to be stationed in Hong Kong after 1997, a delegation of the Basic Law Consultative Committee (BLCC) was told by senior Chinese officials yesterday in Beijing.

The Hong Kong delegation is being led by BLCC vice-chairman, Mr Lo Tak-shing.

The delegation members met Mr Ji Pengfei, the director of the Hong Kong and Macao Affairs Office under the State Council, on the first day of their two-day discussion and exchange session with the mainland Basic Law drafters on the resumption of talks.

The nine-member delegation was told it would not be plausible for units of the PLA not to be stationed in Hong Kong after 1997 in view of the present British garrison in the territory.

Hong Kong could not count only on disciplined forces (the police) to maintain law and order, the Chinese officials said.

The Chinese officials also said that they felt strange about Monday's speech by Hong Kong's Secretary for General Duties, Mr Barrie Wiggham.

They said never before had a British official said in an official capacity that some parts of the draft Basic Law were not in line with the Sino-British Joint Declaration.

Meanwhile, another eight BLCC members submitted a letter through the delegation to the Standing Committee of the National People's Congress, denouncing the way the Chinese government handled the pro-democracy movement.

The letter, co-signed by Father Louis Ha, Mr Mak Hoi-wah and Mr Li Kai-ming, asked the Chinese government to stop arresting students and pro-democracy activists.

In another development, the Group of 89 businessmen and professionals on the Basic Law Consultative Committee yesterday denied reports their idea for a two-chamber legislature for Hong Kong had come from China.

Group member Mr Kan Fok-yeo said the idea was raised last week.

Reports appeared in two Chinese newspapers this week that mainland representatives of the Sino-British Joint Liaison Group had put forward a two-chamber legislature.

Liberals Strive for Consensus on Political System
HK1608021189 Hong Kong SOUTH CHINA MORNING POST in English 16 Aug 89 p 5

[By Chris Yeung]

[Text] Local liberals have elected an eight-member negotiation team including leaders Szeto Wah and Martin Lee Chu-ming, to hold talks with rival camps over the post-1997 political system.

The team has been empowered to make any amendments over the so-called Group of 190 proposals championed by the liberal flagship, the Joint Committee on the Promotion of a Democratic Government, during the talks if the eight members agree unanimously.

Their amendments can only be overruled by a two-thirds majority of the alliance during a full meeting, the joint committee decided at a general meeting last night.

The liberal camp has been criticised by the conservative Group of 89 businessmen and professionals as being insincere in holding talks for a compromise, because they were not ready to make any concessions.

A member of the negotiation team, Mr Yeung Sum, said it was too early to say whether they would amend their proposals.

The other members are: Mr Albert Ho Chun-yan, Dr Huang Chen-ya, Father Louis Ha Ke-loon, Mr Fung Kin-lee and Mr To Kwan-hang.

The liberals revised their early proposal after the June 4 massacre. They now want half of the Legislative Council to be directly elected in 1991 and, by 1997, all the legislators should be returned by universal suffrage.

Mr Yeung said they were considering conducting an opinion poll on the political system if they manage to solicit sufficient financial support.

Mr Yeung said they would send a delegation to promote a speedier pace of democratic program in London early October.

The delegation will also drum up support from overseas Chinese groups for greater democracy.

Meanwhile, a last-ditch drive launched by a group of Basic Law Consultative Committee (BLCC) members to put pressure on leaders of the consultative body, to hold an opinion poll on the contentious post-1997 political framework during the construction period on the draft has failed.

They were unable to solicit enough support among the 176-member body to convene a special full meeting next month to formally discuss holding an opinion poll on the second draft.

Only 17 BLCC members signed a letter addressed to the BLCC chairman, Dr Ann Tse-kai, asking for a special meeting on September 2 to debate whether an opinion poll should be held to collect local views on the Basic Law draft.

Editorial Cites Importance of Basic Law Position
HK1608032789 Hong Kong HONGKONG STANDARD in English 16 Aug 89 p 12

[Editorial: "Declare Stance on Basic Law Now"]

[Text] Now more than ever it is vitally important the people in Hong Kong declare their interest in and take a stand on the Basic Law that will govern this place after 1997.

The events of the past two months have demonstrated yet again that confidence is a fragile and precious commodity.

And while issues such as the right of abode in the UK have gained worldwide attention, as have grandiose plans to build a new Hong Kong in Australia, Scotland or Timbuktu for that matter, we must not be diverted from the task at hand: Ensuring that within the framework of the Joint Declaration the territory wrings the best guarantees possible from Beijing.

The second draft of the Basic Law—the mini-constitution to be in place by 1997—is a document that can go some way towards alleviating some of the fears and anxieties of a community traumatised by the bloody events of early June in Beijing and the consequent crackdown on the prodemocracy movement.

As pointed out by the Secretary for General Duties, Mr Barrie Wiggham, one of the sad aspects of recent events in China is that the momentum built up by the two sides in the Joint Liaison Group [JLG] has been dissipated. And while Britain has proposed the JLG should resume meetings, probably in September, much work will have to be done to retrieve the pace of the negotiations.

"Mr 1997", as Mr Wiggham is known, during a speech in Hong Kong on Monday, urged the people of the territory to "wake up" and make their views known on a number of controversial articles in the Basic Law draft.

He voiced British concerns ranging from Sino-Hong Kong relations to political structure and economic policies. He also discussed the role of the PLA. Britain had fought hard, he said, for agreement in principle that the Hong Kong Special Administrative Region [SAR] would be responsible for the maintenance of public order after 1997 and this was enshrined in the Joint Declaration.

No doubt referring to the events of June 4, Mr Wiggham said: "We now need to delineate more clearly the role of the PLA and our police force."

He also touched on the declaration of a state of emergency in the SAR, pointing out that the section in the second draft of the Basic Law giving this power to the Standing Committee of the National People's Congress was a departure from the present system.

At the moment, such a move is purely a matter for Hong Kong, with the Joint Declaration providing that the SAR government will be responsible for the maintenance of law and order. This conflict, he said, must be sorted out. These, and other issues, concern us all. We must act together, NOW, to relay the message that Hong Kong and its people will settle for nothing less than the continuation of its present way of life. It is our right.

And it is that goal that must be achieved by both China and Britain.

Anna Chennault Preview Visit to Mainland
HK1608021589 Hong Kong HONGKONG STANDARD in English 16 Aug 89 p 7

[By Tammy Tam]

[Text] An adviser to U.S. President George Bush said yesterday she would press Chinese leaders to end their purge of democracy supporters when she visits Beijing later this week.

Mrs Anna Chennault said she would urge communist bosses to follow international principles on human rights and stop the purge, under which thousands of people have been arrested.

Mrs Chennault, chairman of the U.S. National Republican Heritage Groups Council, arrived in Hong Kong yesterday afternoon on her way to Beijing.

She said she had been contacted by a number of exiled Chinese student leaders and democratic activists about conditions in China.

She would not reveal details of their meetings, but said "I'll certainly ask Chinese leaders to stop the purge. There is a Chinese saying that 'it takes 10 years to grow trees, but a hundred years to rear people'.

"Political reform should go on, but that cannot be done overnight. Young people have the enthusiasm and the courage and they are leaders of tomorrow.

"Chinese leaders should really take good care of them, especially university students."

Mrs Chennault said Mr Bush gave her the mission to discuss the prospects of Sino-U.S. relations after Beijing's June 4 massacre.

"After the June 4 incident, I was summoned by President Bush several times to discuss China affairs, and both the U.S. Senate and the House of Representatives also asked my opinions on the matter," she said.

"I'll go to Beijing within days. It will be a semi-official visit since I am also invited by several Chinese leaders.

"I still don't know who I will talk to, but I know that several leaders will meet me," she said.

Mrs Chennault's visit appears to be a mutual effort by Washington and Beijing to ease the tension that has developed between the two countries since the suppression of the prodemocracy movement in Beijing.

Relations became tense with Mr Bush's condemnation of the crackdown and with the U.S. embassy giving asylum to one of China's top dissidents, Prof Fang Lizhi, and his wife, Professor Li Shuxian.

Mrs Chennault said she was not sure how much progress she could hope for from her Beijing trip.

"Situations in China after the June 4 incident are still very complicated. Anyway the purpose of my trip is for gaining a better future for the Chinese people.

"I will discuss with Chinese leaders on prospects of Sino-U.S. relations from a long-term point of view. I understand Asian affairs better and that is why they (Chinese and U.S. leaders) think I'm the right person to go."

Xu Jiatun Views World Economy, Hong Kong
HK1708035389 Hong Kong HONGKONG STANDARD
in English 17 Aug 89 p 7

[First paragraph is HONGKONG STANDARD introduction]

[Text] In a preface to a just-published book on the world economy, XINHUA News Agency director Xu Jiatun says Hong Kong will play important role in the economic reform of China. This is a transcript of his arguments, which were written early this year, before the June 4 crackdown and the rise of hardline leaders in Beijing.

It's now been almost 45 years since the end of World War II and neither of the two powers with the largest military forces dare launch a new world war.

This has been due in no small way to the efforts of peace-loving countries and their people, and the formation of an international power balance.

The intense arms race and other factors have forced them to slow down the growth of their economic might.

With rapid economic development in countries and regions such as Japan, Western Europe and the four small Asian dragons, the tendency of multi-polarisation in world politics and economies has been further enhanced.

In recent years, the international situation has undergone a turnaround.

Dialogue is gradually replacing antagonism, exchange replacing confrontation.

In short the world is entering a situation where there is likely to be greater detente over a relatively longer period of time.

Now that international relations are gradually improving, a new round of peaceful competition is under way.

We need to grasp its characteristics to deepen our studies of economic policies.

Its characteristics are shown in three respects.

First, the new round of competition among countries is based on comprehensive national power with the economy as the core and the scientific and technological revolution as the guiding force.

Since the international situation has become more relaxed, contests for economic power will become more direct and fierce.

Contests for economic power are led by breakthroughs in the development of new science and technology.

The third global revolution in science and technology, which began in the 1950s, is characterised by the peaceful application of atomic energy and the development of micro-electronic techniques and aerospace engineering.

Its speed, size, scope, influence are far beyond the reach of the previous two revolutions in science and technology.

By changing working tools and working objects, it has greatly increased labour productivity and enabled social and material wealth to grow at a faster pace.

Therefore, all countries regard development in science and technology as the fundamentals of the nation. Co-operation and competition in science and technology have become an important items in international relations.

The result of competition will bring big changes in the contrast of national power.

The development of new science and technology has further enhanced the position and role of intellectuals and, in this way, expanded the middle class and changed the social structure.

Secondly, the new round of competition will take place amid the transition of old economic systems to new ones.

In today's world, adjustment and reform dominate.

Many countries are adjusting their economic systems and changing the structure of industry.

Capitalist countries have enhanced governmental regulation and control, as well as joint economic intervention, while socialist countries are developing market mechanisms. The two different economic systems are learning from each other in the peaceful competition.

The post-war situation shows that as the economic power of the major industrial countries in the West increases, as the scope of the market expands tremendously, the government strengthens regulation and control on the economy at the macro level.

As these countries have gained the means to manage the internal economic crisis to a certain extent, the cycle of economic crisis is shortened and the extent of damage becomes smaller.

The stockmarket crash in 1987 did not result in a serious economic recession. One major reason was due to the intervention of major industrial countries.

After international relations become further relaxed, economic recession and economic crisis are still unavoidable, but in a long run, productive forces are likely to have some breakthrough growth.

Finally, the new round of competition will be conducted in the configuration of economic groups.

In world-level economic competition, the power of a single country or region alone often cannot meet the needs of the development of productive forces and competition.

Therefore, some countries (or regions) on conditions of geographical locations, closeness of cultural customs and mutual economic benefits, are combining to form a two-country or multi-country group, so that they can bring into play beneficial results and secure the economy of the group.

Among the well-organised economic communities are the European Economic Community, the economic co-operative committee of the Soviet Union and the Eastern European countries, and the free trade market of the U.S. and Canada.

At present, group economy is still developing. It has been suggested economic communities should be set up in the Asia-Pacific area.

With the development of the whole economic power in this area, the chances of regional economic co-operation increase.

On the whole, every country is taking the opportunity of the increasingly relaxed international situation to seek economic growth and make it the main goal of national policies.

Reform and development have become the trend of the world.

For China, this is a challenge as well as a chance. We must, in particular, study the new situation and new countermoves from the following three perspectives.

First, economic growth and increase in consumption requires countries in the West to import labour-intensive products. This would provide more opportunities for China to develop a foreign-oriented economy and to increase imports and exports.

Second, major industrial countries in the West are greatly increasing the export of capital and technology. China may take this chance to introduce capital and technology to enhance capital construction and to improve technology in enterprises.

Since China is blessed with skill in several high-technology fields, we may also export technology and take part in international co-operation in science and technology to fully display our talents.

As the European Economic Community and the free trade market of the U.S. and Canada and the like are exclusive economic groups with protectionist tendencies China may enlist the help of its neighbours to push for free trade world economic co-operation.

Hong Kong is of specially important significance in the new round of international peaceful competition.

China must attach greater importance to Hong Kong.

Since the signing of the Sino-British Joint Declaration, Hong Kong's economy has grown steadily and shown its great adaptability.

Hong Kong is an open free port in all aspects, an important multi-centre of international trade and finance.

With advantages not only in "hardware" like infrastructure, but in "software" like information and management, Hong Kong has been playing a great role in China's

foreign economic relations and speeding up China's economic construction and its development in foreign trade. Hong Kong, as a financial centre, owns a gigantic market of capital.

It is the largest investor in the mainland.

The increasingly growing market economy, brought about by the introduction of foreign capital, has made an impact on and affected the existing traditional economic mode in the mainland, promoted the renovation of social ideas, brought in international conventions, an enterprise management system and market competition ideas, which are suitable to the development of a modern commodity economy.

Hong Kong's open, free-market economy is a special mode of modern commodity economics.

It has promoted the development of the export-oriented economy in coastal areas of China.

The Hong Kong economy serves as a reference and stimulus for mainland economic reforms.

Together China and Hong Kong can become a strong economic competitive power.

At present, economic collaborative relations between Hong Kong and the mainland, the Pearl River Delta in particular, have become increasingly intimate.

This will benefit both Hong Kong and China. This relationship is bound to continue and become more fruitful.

In 1988, re-exports in Hong Kong again exceeded the exports of Hong Kong-made products.

With the expansion of the world market, especially with the economic development in China and the Asia-Pacific areas as a whole, the growth of Hong Kong's economy is unlimited.

I especially think the potential growth of the commerce and service industries will go through a boom period.

I also believe the gross national product of Hong Kong will show a double, or even multi-fold, growth.

Hong Kong's future is extraordinarily bright.

Military Training for PRC Students Criticized
HK1608030589 Hong Kong SOUTH CHINA MORNING POST in English 16 Aug 89 p 22

[Editorial: "Disciplined Learning"]

[Text] The Chinese State Education Commission will only make matters worse if it carries out its decree to send the entire class of Beijing University freshmen for a year of military and political training. The new policy harks back to the Cultural Revolution, when intellectuals were sent to the countryside, and also underscores the Chinese Government's continuing ambivalence towards higher education. By taking this course, the state risks discouraging more young people from pursuing the scholastic excellence which is so vital to the modernisation of China. The decision, prompted by the belief that education without rigorous discipline and ideological conformity is a threat to the state, also contradicts the promise from the National People's Congress in March that education would be a priority.

With less than one percent of China's young people given the opportunity to study at universities, the shortage of managerial, scientific and teaching talent is already alarming. The spring demonstrations pointed to the need for more, not less, university places. The commission has decided to scale back the first year enrollment at Beijing University from 2,000 to 800 students, who will then be expected to spend a full year in training camps, when in the past a stint of a few weeks was regarded as sufficient.

The new emphasis being placed on ideological training also distracts from the regular curriculum, and retards the progress of some of China's brightest students. As concerned as the Government is about fostering in youth a healthy respect for authority, it should not hamstring the education system for political reasons.

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